

INTERIM REPORT

JULY 1-SEPTEMBER 30, 2021.

July-September 2021.

- Net sales amounted to 32,2 MSEK (28,8).
- EBITDA equalled 4,9 MSEK (3,7).
- Operating profit (EBIT) is 1,9 MSEK (1,1)
- Profit after tax amounted to 1,5 MSEK (-0,4)
- Earnings per share amounted to SEK 0,14 (-0,04) per share

January-September 2021.

- Net sales amounted to 96,2 MSEK (101,8).
- EBITDA equalled 12,5 MSEK (13,3).
- Operating profit (EBIT) is 4,0 MSEK (4,3)
- Profit after tax amounted to 3,2 MSEK (2,5)
- Earnings per share amounted to SEK 0,28 (0,25) per share

Events during the period.

- AXXO Woundgel moved to manufacturing
- Preliminary purchase price allocation of PharmaCept is completed

Events after the period.

- Simon Jegou announced as new Chief Strategy Officer
- EmboCept® S procedure included in CIRSE Guidelines

Consolidated Group Financial Summary	2021 July-Sept.	2020 July-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec.
Net sales, TSEK	32 240	28 779	96 205	101 836	142 337
EBITDA, TSEK	4 942	3 781	12 493	13 329	16 193
EBITDA margin, %	15%	13%	13%	13%	11%
Operating profit, TSEK	1 991	1 095	3 759	4 329	4 526
Net profit/loss for the period, TSEK	1 514	-382	3 032	2 511	1 819
Earnings per share, SEK	0,14	-0,038	0,281	0,251	0,240
Operating cash flow, TSEK	693	11 795	18 931	14 888	-5 545
Operating cash flow per share, SEK	0,06	1,18	1,75	1	-0,54
Equity ratio, %	59%	61%	56%	61%	58,8%
Equity at period end, TSEK	138 767	115 840	126 268	115 840	116 121
Return on Equity	1,35%	-0,41%	2,68%	3,56%	2,10%
Return on Asset	0,94%	0,58%	1,67%	2,24%	2,64%
Net debt, TSEK	-29 757	-17 353	-29 757	-17 353	-33 902

CEO COMMENT.

Magle Chemoswed had a solid third quarter that delivered in line with expectations. We made significant advances on our DSM products, progressing the development portfolio and publishing clinical data in leading scientific journals supporting the increased use of EmboCept®S.

The business performed well across all areas of the company. The contract services business area continued to stabilise and perform according to budget, with new projects and orders secured for the next quarter and early 2022. The demand in the business area was strong in the third quarter, and the team successfully delivered to customer expectations across the service projects.

In the Contract Manufacturing business area, we met forecast, and demand showed positive stability. Our risk-based approach to forecasting demand from new commercial contract manufacturing agreements protects our forecasting on our customer projects. We apply these principles routinely across our manufacturing agreements to ensure business continuity and reduced risk to our revenues and forecasts.

In our DSM and sales business areas, the team focused on executing our road map to deliver integration from the acquisition of PharmaCept. Our roadmap includes the implementation of our strategic objective to increase the sales force in Germany to improve market-

ing and sales presence in key European markets.

An increased sales team in the business area will widen our European market footprint. We will use this footprint as a springboard to accelerate the launch and expansion of our DSM products in the European market. This initiative is an important strategic goal to build sustainable stakeholder value in the company for the future.

In the DSM product area, expansion of EmboCept®S in Europe is underway, and new reimbursement filings are in process in critical geographies where we have identified high growth potential. In addition, when it comes to the international territorial expansion of the product, we have focussed on Latin America, and I expect the completed regulatory filings in the first half of 2022. These activities align with our strategy to maximise the market share of EmboCept®S in the near and mid-term.

Our launch plans for SmartPAN® remain on track. As a first-in-class product, our reimbursement strategy is crucial for the future value of SmartPAN®, and the assessment will be finalised in the early part of 2022. In parallel, our post-market clinical study at the European Pancreatic Center in Heidelberg, one of the leading institutions for diagnosing and treating pancreatic diseases, remains on target for commencing in the second quarter of 2022.

SmartGel® and AXXO Woundgel are moving forward in line with expectations. New registrations in the middle-East and Latin America are advanced, and I anticipate regulatory approvals in mid to late 2022 in these territories.

Pre-launch materials of AXXO Woundgel were manufactured for our distribution partner AXXO GmbH. We are scaling up manufacturing to meet projected demand in 2022. When it comes to SmartGel®, our pre-launch activities for the European market remains on track for the first half of 2022.

Lower license revenues were received from Becton Dickinson through a slowdown in demand due to the COVID pandemic and a negative currency effect against a weaker USD exchange rate.

However, overall revenues remain in line with the expectations for the period, and our diversified business model related to our revenue streams off-sets the negative impact of the lower licence revenues.

The reduced number of standard procedures in Europe to protect surgical and hospital resources leads to lower sales numbers in the EmboCept®S libe. However, recovery signs in the last quarter are positive signals.

Looking forward to our activities and focus areas in the fourth quarter and into 2022, we will be committing high-

er numbers of development resources and capital investments to accelerate our pipeline.

The focus on our DSM platform is a strategic shift for the company, designed to focus on building long-term sustainable value. I anticipate a profitable finish to 2021 that will be in line with our expectations and forecasts.

Justin Pierce
CEO



“Our third quarter performance demonstrates the strength of our strategy and diversified portfolio”

DSM TECHNOLOGY.

Our development program focuses on further developing our proprietary technology base and expanding into application areas where there are pressing medical needs. Our technology base is a unique degradable starch microspheres (DSM) polymer technology that has unique properties suitable for use in a variety of formulations.

DSM uses starch as its starting material. Starch is well documented and known and presents a bio-friendly, environmentally sustainable, and biocompatible starting material for DSM construction. In addition, the DSM is well tested in surgical procedures and proven to be safe and effective, biodegradable, and biocompatible in the human body.

Our products, such as SmartPAN®, SmartGel® and EmboCept® S use the DSM platform. Our products are designed to bring high-quality life-changing healthcare innovations to every patient globally with the winning aspiration to make a positive medical impact by improving treatment options through innovation.

Several different combinations with DSM have been investigated to add unique properties to our products. As a result, we have established that the DSM is compatible with a spectrum of active substances and biologic material such as viral vectors and cell and protein therapies and has an established efficacy and safety profile in several therapeutic applications in combination with drug therapies.

The flexibility of DSM is proven in practice through our marketed products and our extensive pre-clinical data library, especially in the wound healing, enzymatic detection, and arterial embolisation areas proves the positive impact of DSM as a unique technology that delivers high-quality positive impact in these areas. In addition, we have a history of successful development using our DSM, leading to marketed products and successful out-licence agreements.

Our state-of-the-art facilities support our DSM program, and our team of DSM specialists drive our development in new therapeutic areas. Our proven development track record based on our previous successes and history of DSM development provides a solid platform to build innovations through incremental improvements and breakthrough developments.

To further strengthen our DSM platform, we plan to expedite investment in generating clinical evidence as a strategic focus for the future to build further scientific evidence that supports our market experience and pre-clinical data packages.

We plan to take our DSM products to market in Europe through our sales force and expand into global markets through our existing distributor network. In addition, our manufacturing operations located in Malmö, Sweden, support our commercialisation strategy, providing us with complete control over our DSM from idea to product.



DEVELOPMENT SERVICES.

We have a highly experienced and flexible team dedicated to our service offerings. We offer a full range of development services covering the development chain for pharmaceuticals and medical devices. With over 70 years of combined experience, we have a rich history of successfully providing development services.

The development services area is running at a high level close to capacity, with a historically high number of projects running in 2021. The number of development service projects for 2022 is under evaluation to align with our pipeline development strategic goals.

Contract development service revenues for the period were 8,1 MSEK (3,9). Sales for the year are 23,5 MSEK (15,1), a increase in sales of 55%. Adjusted for currencies revenues increased 63% over the year.

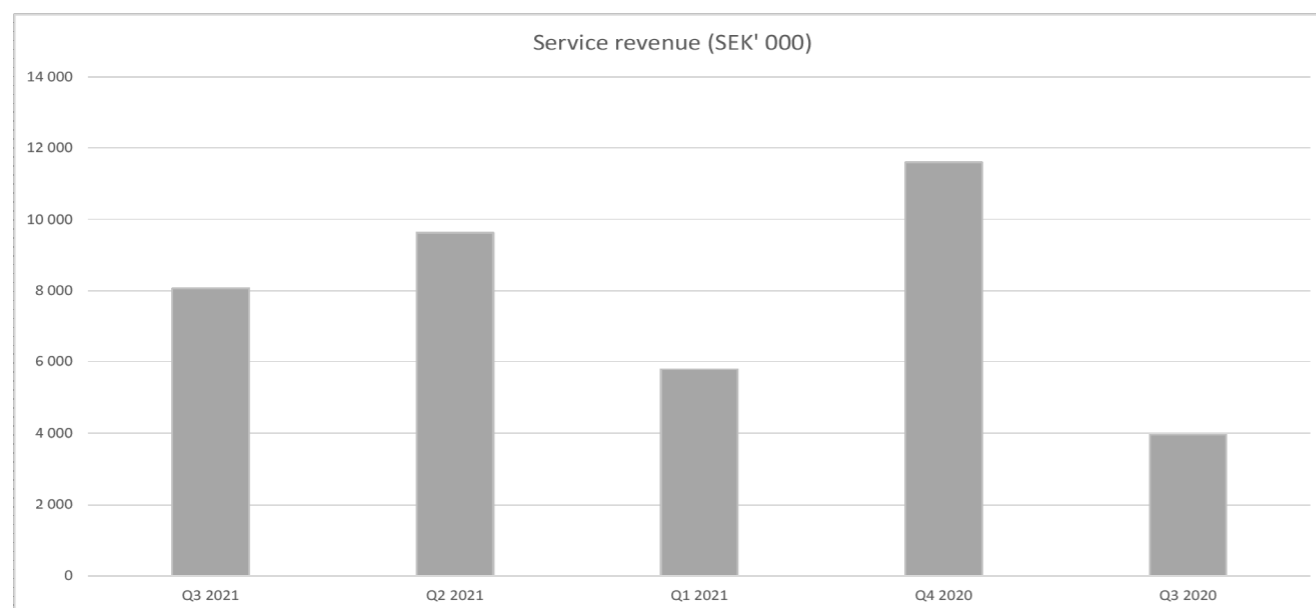
A increase in the periods results from a change in revenue recognition between the two periods where manufacturing recognises small-scale production rather than development services.

We have added personnel to the Solid State chemistry team to cope with extra customer orders and demand and support our plan to increase revenues from this service area. In parallel, we have modernised key instruments, facilities and equipment to support the growth potential.

The development services offerings have broadened to meet ever-growing regulatory and customer demands through continued investment and growth.

Our development teams play an essential role in helping deliver solutions to customers projects to expedite their projects and provide chemistry support and explanations for authorities.

This expansion is an expanding part of our development service package that we are actively investing in to support future projects. In the period, we have approved further capital investments of 1,5 MSEK to expand our experimental capacities to support higher levels of project activities in the future.



MANUFACTURING.

Magle Chemoswed operates a contract manufacturing service to support the supply of drug substances and medical devices for customers. Manufacturing services also manufacture generic drug substances owned by the company. In addition, the company provides manufacturing services for materials to support pre-clinical and clinical programs. The company operates under Good Manufacturing Practices (GMP) and ISO guidelines.

In the third quarter, manufacturing remained constant to forecast, with associated costs in the contract manufacturing business area in the range of expectations.

Third-quarter manufacturing revenues were well balanced across the supply segments, including clinical material and medical device areas. Combined revenues for the period were 15,3 MSEK (19,4).

For the quarter, the cost of product sales and contract manufacturing services decreased to 4,5 MSEK (5,6). The decrease primarily consists of the effects of product mix with a balanced number of high margin products in manufacturing.

Sales for the year are 50,4 MSEK (58,7), an decrease in sales of 14%. Adjusted for currencies revenues decreased 8%. For the year-to-date, the cost of product sales and contract manufacturing services decreased to 13,4 MSEK (22,5).

In the period we did the transfer of AXXO Woundgel to manufacturing operations, with the first materials manufactured for the pre-launch marketing campaign for AXXO GmbH.

The AXXO Woundgel uses Magle Chemoswed's DSM platform. AXXO GmbH is the appointed distributor in the BRIC, Latin America and Middle East regions.

Our strategic investment program to increase niche offerings in manufacturing operations is in the final stages of constructing an aseptic cleanroom facility. The expectation is that aseptic services will be available in the first half of 2022. Further investments are underway to expand our packaging and filling lines to expand manufacturing services in the future.

Contract Manufacturing
YTD

Cost of Sales
(Manufacturing) YTD

Sales of Generic Drug
Substances, YTD

↑ 54%
SEK24,0 million

↓ 41%
SEK13.4 million

↓ 39%
SEK26.4 million



DSM PRODUCTS.

Magle Chemoswed aims to establish itself as a leading company in high-quality life-changing healthcare innovations to meet medical needs through scientific excellence. Through innovation and meeting medical needs, we will expand our proprietary DSM platform to improve patients' quality of life and treatment outcomes. Our winning aspiration is driven by generating clinically reliable data to build value in DSM and move quickly to market

The acquisition of PharmaCept GmbH has added a marketing and sales capability to the Magle Chemoswed Holding Group. As a result, PharmaCept will be the lead company in the go-to-market for DSM based products. In addition, strategic investment in PharmaCept is underway to increase the sales force to develop the market for the EmboCept® brand and the market entry of the products approved in 2021, SmartGel® and SmartPan®.

The COVID-19 pandemic still impacts sales of the EmboCept® S product line. This impact is especially the case in primary European markets, including Germany, Italy and Greece. However, in the latter parts of the third quarter, sales are beginning to stabilise, and PharmaCept is meeting the deliverables forecast for the company post-transaction.

The sales and launch programs for SmartGel® and SmartPan® remain unaffected by the addition of PharmaCept.

SmartGel® also marketed as AXXO Woundgel is a non-allergenic hydrogel based on our unique microsphere DSM. A wound hydrogel that contains an antimicrobial in biodegradable starch microspheres suspended in a gel matrix for optimal infection prevention and treatment.

As previously communicated, we have received the first forecast for AXXO Woundgel. In addition, we have

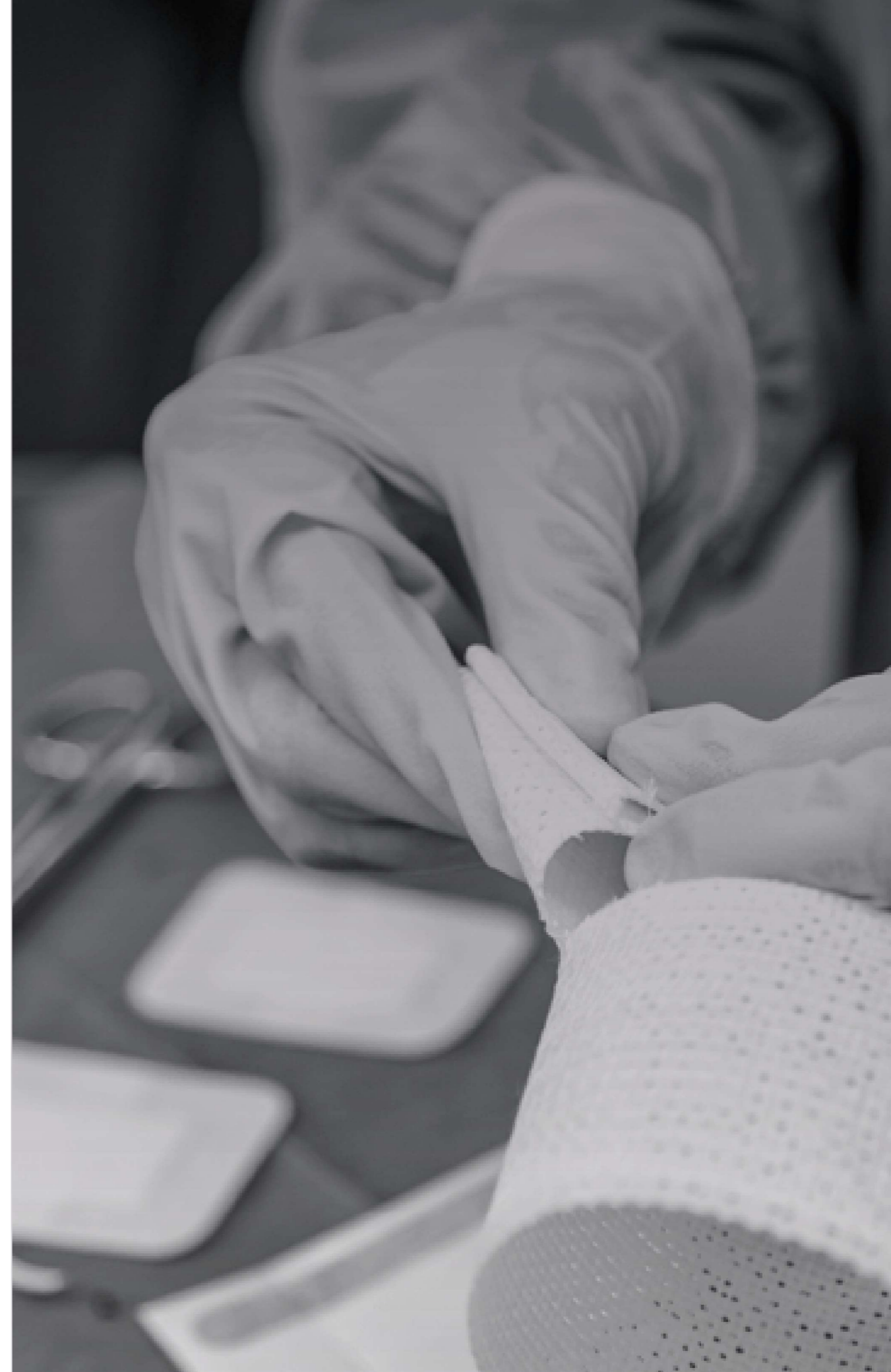
completed the first manufacture for pre-marketing material of AXXO Woundgel. SmartGel® is on track for introduction to the European market in the latter part of 2022. Registrations in Latin America are being supported for AXXO.

SmartPAN® is a first-in-class medical device for the detection of pancreatic fluid leakage during open or minimally invasive surgical procedures. Pancreatic fluid, if left undetected, can potentially, lead to significant post operative side effects for patients.

SmartPAN® reimbursement work to establish the correct transfer price is expected to be delivered in 2022. Plans for a post market clinical follow up study is in the final planning stages and expected to commence in the second-half of 2022.

PharmaCept's revenues since the acquisition by Magle Chemoswed amount to 6,2 MSEK (0). The sales are derived from the vascular embolisation market, of which EmboCept® S is the main driver. International expansion plans for EmboCept® S focus on Latin America registrations to open up distributor-based sales markets.

DSM royalties in the quarter amounted to 2,46 MSEK (5,41).



DSM DEVELOPMENT.

The company's products and pipeline are based on a unique degradable starch microsphere (DSM) polymer technology. The DSM is suitable for use in a variety of medical formulations and can be used both on and in the body being biodegradable and biocompatible. The company's pipeline represents a mix of in-house and partnered programs from early to late-stage development. In line with our strategy our pipeline candidates are selected where we believe there is a high potential for a positive medical impact for patients through our innovation.

Research and development investments in the quarter amounted to 1,2 MSEK (0,5). The investment for 2021 is 3,7 MSEK (2,98). Investments in research and development of the DSM platform is treated as a direct expense, and capitalisation is applied to late-stage development where required by IFRS accounting rules.

MCS2101 - is developed for the treatment of benign prostatic hyperplasia through prostatic artery embolization. The product candidate offers important potential advantages over current marketed products, including easy administration, controlled degradation, biocompatibility and potential for enhanced treatment efficacy in patients. **Status:** this product is moving into a validation and bio-compatibility pre-clinical phase.

MCS2102 - is developed for use as an embolic agent for the treatment of benign uterine fibroids. The product candidate offers important potential advantages in treatment, including possibility of repeatable administration,

biocompatible degradation. **Status:** this product is moving into a validation and bio-compatibility pre-clinical phase.

MCS2103 – is an easy to use and effective hydrogel for use in advanced wound care. The product is loaded with active substances that in combination are effective in breaking the biofilm on wound surfaces and at for bacterial biofilm-associated wound infection. **Status:** this product is moving into a development and is currently under patent review.

MCS2104 – the project focuses on the development of a new composition for inducing and facilitating repair and re-generation of tissue for use in dental bone tissue engineering incorporating an mRNA molecule that can be used to accelerate normal physiological repair. **Status:** this product is in early research and a patent application has been filed the product is in early formulation research.

MCS2105 – the project incorporates cisplatin with DSM through a lyophilisation technique to generate a solid cake for dissolution and transarterial chemoembolization in the treatment of unresectable hepatocellular carcinoma. **Status:** this product is in early research and the product is in early formulation analysis.

Candidate	Therapeutic Area	Discovery	Development	Pre-clinical	Validation	Clinical	Registration
MCS2101	Embolisation						
MCS2102	Embolisation						
MCS2103	Wound Care						
MCS2104	Bone Tissue						
MCS2105	Drug Delivery						

*Not all product candidates require clinical studies to be conducted prior to registration

FINANCIAL INFORMATION.

Operating income

Net sales for the third quarter amounted to 32,24 MSEK (28,78) and 96.2 MSEK (101.8) for the year.

Operating expenses

Operating expenses for the third quarter amounted to -12,3 MSEK (-10,1) and to -32,6 MSEK (-31,7) for the year to date. The increase in operating expenses is mainly attributable to an increased cost of facilities such as electricity, external storage, services and maintenance on facilities.

Raw material and consumables

Raw materials and consumables amounted to 4,2 MSEK (4,7), which resulted in a gross margin of 86% (80%).

Research and development expenses

Research and development expenses for the third quarter amounted to 1,23 MSEK (0,58). The increase is mainly explained by the increased focus on the development of the company's DSM platform. The company has elected not to capitalise any of these development costs.

Other operating income, expenses

Other operating income and expenses for the third quarter amounted to 4,9 MSEK (2,8) and to 8,8 MSEK (8,0) for the year to date. During the third quarter 2021, Magle Chemoswed received a grant of 188 TSEK from the European Eurostars program for the Carrier4TSC project. Other operating income and expenses mainly consist of exchange rate differences on supplier and customer invoices and pass through costs to development customers.

Result

The operating profit for the third quarter amounted to 1,9 MSEK (1,1) and to 4,0 MSEK (4,3) for the year. The result from financial items amounted to -0,1MSEK (-1,6) for the third quarter and to 0,2 MSEK (-1,1) for the year to date. The result after financial items for the third quarter amounted to 1,9 MSEK (1,1) and to 4,1 MSEK (4,3) for the year.

Cash flow, investments, and financial position

Cash flow from investing activities for the third quarter amounted to 0,7 MSEK (11,7) and to 16,1 MSEK (14,8) for the year to date. Cash flow from financing activities for the year to date amounted to 12,0 MSEK (4,3). As of September 30, 2021, cash and cash equivalents amounted to 4,2 MSEK (6,1 MSEK as of December 31,2020).

Equity

Equity as of September 30, 2021, amounted to 138,7 MSEK (115,8), corresponding to 12,85 (10,73) per share. The company's equity ratio at the end of the period, was 59 percent (61 percent). The company believes that this key ratio provides investors with useful information of the company's capital structure.

Personnel

As of September 30, 2021, the group had 68 employees, of whom 29 were women and 39 men. The company also engages consultants for specialist tasks and assignments on a frequent basis.

Personnel expenses

Staff costs totalled to 46,6 MSEK (42,3). Personnel costs increased by 10% due to the collective agreement salary increases and staff retention activities

The share

Magle Chemoswed Holding's shares are listed on Nasdaq Stockholm with the ticker MAGLE and SE0014401014. As of September 30, 2021, the total number of shares amounted to 10,800,000 and the market capitalization was 377 MSEK. The company's shares are issued in one class and each share carries one vote.

The Magle Chemoswed Holding Group

The group ("Magle Chemoswed Holding Group") consists of the parent company, Magle Chemoswed Holding AB (publ) and the subsidiaries Magle Chemoswed AB, Adroit Science AB and PharmaCept GmbH.

COVID-19 statement

COVID-19 has impacted the trading conditions of the group over 2021. COVID-19 impact on generic drug substances remains a consideration to some geographies, including China and Russia, where lower demand persists due to the pandemic. The decline in DSM royalty revenues is a direct result of the effect of the COVID pandemic leading to a reduced number of non-essential surgical procedures in the United States and Europe. The impact on the sales of the EmboCept® S product in Europe is lessened in Q3 but has had an overall negative impact on revenues.

Stock trading.



FINANCIAL REPORTS.

Condensed consolidated income statement.

TSEK	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
Revenues									
Net sales	30 429	38 793	33 535	34 263	32 240	28 779	96 205	101 836	142 337
Other revenues	966	2 569	2 941	2 642	4 931	2 799	8 838	8 010	3 914
Total	31 396	41 362	36 476	36 905	37 171	31 578	105 043	109 846	146 252
Change in inventory of finish goods	1 714	-11 474	7	2 592	-275	-943	1 445	-9 825	-13 676
Raw materials and consumables	-5 626	-2 153	-4 954	-5 800	-4 231	-4 721	-14 811	-12 674	-16 719
Other external expenses	-8 943	-8 296	-11 328	-13 320	-12 342	-10 117	-32 613	-31 733	-40 801,4
Personnel costs	-15 003	-16 584	-16 188	-13 683	-15 381	-12 015	-46 571	-42 282	-58 859
Depreciation and amortization	-2 754	-2 668	-2 787	-3 645	-2 951	-2 686	-8 492	-8 999	-11 667
Other operating expenses	-	-	-	-	-	3	-	-	-3
Total operating expenses	-30 612	-41 175	-35 251	-33 856	-35 180	-30 484	-101 042	-105 515	-141 726
Operating profit/loss	784	187	1 226	3 049	1 991	1 095	4 001	4 330	4 526
Profit/loss from financial items									
Financial income	-	443	-	264	229	-	299	706	706
Financial expenses	496	-92	-257	-137	-350	-1 565	-112	-1 794	-2798
Profit before tax	1 280	538	968	3 175	1 870	-470	4 118	3 243	2 434
Taxes for the period	-276	-128	-212	-692	-356	88	-844	-732	-614
Net profit/loss for the period	1 004	410	756	2 483	1 514	-382	3 274	2 510	1 819

Condensed consolidated statement of comprehensive income.

TSEK	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
Profit/loss for the period	1 004	410	756	2 483	1 514	-382	3 274	2 510	1 819
Total comprehensive income for the period	1 004	410	756	2 483	1 514	-382	3 274	2 510	1 819

Earnings per share.

	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
Equity holders of the parent									
Earnings per share before dilution, share issue	0,10	0,82	0,08	4,97	0,14	-0,04	0,30	0,25	3,64
Earnings per share after dilution*, share issue**	0,09	0,75	0,07	0,47	0,14	-0,04	0,30	0,25	0,24
Profit/loss for the period	1 004	410	756	2 483	1 514	-382	3 274	2 511	1 819
Average number of shares before dilution, share issue	10 000	500	10 000	500	10 800	10 000	10 000	500	500
Average number of shares after dilution, share issue	10 655	500	10 800	5 246	10 800	10 000	10 791	10 000	7 671

*A share split was carried out on the 27th of March 2020, **A share issue was carried out on the 4th of January 2021

FINANCIAL REPORTS.

Condensed consolidated balance sheet.

TSEK	2021 Jan-Sept	2020 Jan-Sept	2020 Jan-Dec
ASSETS			
Intangible assets	70 896	27 622	28 966
Tangible assets	102 047	105 405	104 029
Deferred tax asset	-	1	2
Other non-current assets	55	55	55
Total non-current assets	172 998	133 083	133 052
Inventories	20 278	18 632	18 348
Trade receivables	29 851	14 110	26 271
Other operating receivables	9 361	7 874	14 272
Cash and cash equivalents	4 195	15 092	6 122
Total current assets	63 684	55 708	65 013
TOTAL ASSETS	236 683	188 791	198 065
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	138 767	115 840	116 121
Liabilities to credit institutions	27 438	28 938	28 938
Leasing debt	2 575	3 418	3 302
Deferred tax liability	2 151	2 087	2 087
Other longterm liabilities	13 011	-	-
Total non-current liabilities	45 174	34 442	34 326
Liabilities to credit institutions	6 514	3 507	11 086
Leasing debt	1 993	347	1 494
Trade payables	16 020	7 501	12 365
Other operating liabilities	28 213	27 153	22 672
Total current liabilities	52 741	38 508	47 617
TOTAL EQUITY AND LIABILITIES	236 683	195 943	198 065

Condensed consolidated statement of changes in equity .

TSEK	Share capital	Other paid in capital	Translation reserves	Retained earnings incl. P/L for year	Total equity
As at 1 January 2020	50	98 927	-	14 682	113 659
Profit/loss as at 31 December 2020	-	-	-	1 819	1 819
Share issue	450	-	-	-450	-
Other comprehensive income as 31 December 2020	-	-	-	643	643
Equity as at 31 December 2020	500	98 927	-	16 694	116 121
As at 1 January 2021	500	98 927	-	16 694	116 121
Profit/loss as at 30 September 2021	-	-	-	3 274	3 274
Other comprehensive income as at 30 June 2021: Translation difference	-	-	-628	-	-628
Share issue	-	-	-	20 000	20 000
Equity as at 30 September 2021	500	98 927	-628	39 968	138 767

FINANCIAL REPORTS.

Condensed consolidated statement of cashflows.

TSEK	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
Operating profit/loss	784	186	1 226	3 049	1 991	1 095	4 001	4 329	4 526
Adjustments for depreciation, amortisation and other non-cash items:	-515	2 421	1 164	6 243	937	1 209	3 644	8 994	8 610
Changes in working capital	3 414	6 029	9 218	-13 824	-2 236	9 491	8 489	1 564	-19 910
Net cash flow from operating activities	3 683	8 636	11 608	-4 532	693	11 795	16 135	14 888	-6 775
Acquisition of subsidiary company, net of cash acquired	-	-	-16 203	-	-	-	-16 203	-	-
Payment of Acquisition of subsidiary company	-1 483	-	-1 478	-	-1 477	-	-4 438	-	-5 904
Investments in assets	-1 369	-1 915	-1 078	-4 694	-6 956	-733	-9 403	-7 382	-7 948
Net cash flows from investing activities	-2 852	-1 915	-18 608	-4 694	-8 432	-733	-30 043	-7 382	-13 852
Debt incurred	-	-	-	28 206	-108	2 648	-108	27 586	25 313
Amortisation of bank loan	-	-7 268	-750	-300	-375	-	-1 125	-5 940	-1 125
Repayment to Shareholder	-	-	0	-16 000	-	-	-	-16 000	0
Amortisation of leasing	-371	-379	-373	-441	-95	-1 165	-838	-1 985	-2 100
Change in bank overdraft	-2 568	316	-3 707	-3 269	328	-	-5 947	-	721
Shareholders contribution	20 000	-	-	431	-	200	20 000	631	646
Net cash flow from financing activities	17 061	-7 331	-4 829	8 627	-250	1 683	11 982	4 292	23 455
Net cash flow	17 892	-610	-11 829	-301	-7 990	12 704	-1 927	11 798	2 828
Cash and cash equivalents at beginning of period	6 122	3 294	24 014	2 684	12 185	2 387	6 122	3 294	3 294
Cash and cash equivalents at end of period	24 014	2 684	12 185	2 383	4 195	15 092	4 195	15 092	6 122

Parent company income statement.

TSEK	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
Net sales	-	-	-	-	-	-	-	-	1 186
Intercompany revenue	1 494	-	1 106	-	624	-	3 223	-	-
Other revenues	-	74	-	1 100	-	-	-	1 173	1 173
Total	1 494	74	1 106	1 100	624	0	3 223	1 173	2 359
Other external expenses	-1 814	-153	-1 103	-1 617	-586	-1 661	-3 502	-3 431	-3 924
Personnel costs	-1	-1 153	-40	-5	-506	-10	-547	-1 168	-1 203
Total Costs	-1 815	-1 306	-1 142	-1 622	-1 091	-1 671	-4 048	-4 599	-5 127
Operating profit/loss	-320	-1 232	-37	-522	-468	-1 670	-825	-3 425	-2 768
Net financial items	295	-8	-82	-4	10	5	224	-7	-375
Profit loss after financial items	-25	-1 240	-118	-526	-458	-1 666	-601	-3 432	-3 143
Taxes for the period	5	0	24	0	94	0	124	0	3 033
Net profit/loss for the period	-20	-1 240	-94	-526	-363	-1 666	-477	-3 432	-110

FINANCIAL REPORTS.

Parent company balance sheet.

TSEK	2021 Jan.-Sept.	2020 Jan.-Sept.	2020 Jan.-Dec.
ASSETS			
Non-current assets	80 346	44 647	44 647
Other receivables	38 690	37 941	45 636
Prepaid expenses	759	25	33
Cash and cash equivalents	619	-2 032	-
TOTAL ASSETS	120 414	80 580	90 316
EQUITY AND LIABILITIES			
Equity			
Restricted equity	500	500	500
Unrestricted equity	90 888	67 966	71 366
Total equity	91 388	68 466	71 866
Non-current liabilities			
	13 011	-	-
Current liabilities	16 014	12 115	18 451
TOTAL EQUITY AND LIABILITIES	120 414	80 580	90 316



FINANCIAL NOTES.

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 31 March 2021 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.

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	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
TSEK									
Manufacturing revenue	10 469	16 852	9 829	15 669	6 136	10 630	26 413	43 151	55 306
Contract Manufacturing rev.	3 891	3 348	10 933	3 430	9 191	8 791	24 015	15 569	24 544
Contract Service revenues	5 791	4 342	9 628	6 839	8 060	3 947	23 479	15 127	26 725
DSM License revenues	9 296	13 135	2 471	6 335	2 457	5 411	14 224	24 881	30 957
DSM	982	1 116	675	1 991	8 583	-	10 240	3 107	4 805
Intercompany sales*	-	-	-	-	-2 167	-	-2 167	-	-
Total	30 429	38 793	33 535	34 263	32 240	28 779	96 205	101 837	142 337

*part of manufacturing of DSM

By country	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
TSEK									
Sweden	6 463	2 107	1 954	1 105	3 916	2 880	15 141	8 356	23 960
Europe excluding Sweden	16 061	12 323	12 468	13 111	12 240	8 943	20 962	36 848	37 717
Other territories	7 905	24 363	19 113	20 047	16 084	16 956	60 102	56 632	80 660
Intercompany sales	-	-	-	-	2 167	-	2 167	-	-
Total	30 429	38 793	33 535	34 263	32 240	28 779	96 205	101 837	142 337

By company	2021 Jan-Mar	2020 Jan-Mar	2021 Apr-Jun	2020 Apr-Jun	2021 Jul-Sept.	2020 Jul-Sept.	2021 Jan-Sept.	2020 Jan-Sept.	2020 Jan-Dec
TSEK									
Magle Chemoswed AB	29 513	37 300	33 039	33 385	25 665	28 023	88 217	98 673	137 849
Magle Chemoswed Holding AB	-	-	-	-	-	-	-	-	-
Adroit Science AB	916	1 493	496	878	315	756	1 727	3 164	4 488
PharmaCept GmbH	-	-	-	-	6 261	-	6 261	-	-
Total	30 429	38 793	33 535	34 263	32 240	28 779	96 205	101 837	142 337

FINANCIAL NOTES.

note 6

NUMBER OF SHARES

Ordinary Shares	Number of shares	Potential shares
31 December 2019	500	
30 June 2020	10 000 000	225 000
4 January 2021	10 800 000	225 000

Share split was made on 27th of March 2020, share issue on 4th of January 2021.

note 7

WARRANTS

At period end, there is one 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
Balance December 31, 2020	225 000	225 000

note 8

ACQUISITION

As of June 1, 2021, Magle Chemoswed Holding acquired 100% of the share capital in PharmaCept GmbH in Berlin, Germany. PharmaCept is included in the consolidated amounts from September 2021. The purchase consideration consisted of a cash payment of 16.2 million SEK at closing. Further payments will be made quarterly over three years of 20,1 million SEK for the Trademark and Technology. Magle Chemoswed Holding has had a close collaboration with PharmaCept GmbH since 2009. In 2020 PharmaCept GmbH had a turnover of approximately EUR 1,9 million (SEK 19,3 million), EBITDA of approximately -264,4 TEUR (-2.6 MSEK) and a EBITDA-margin of -13,7%. The total number of employees is 5.

The acquisition establishes Magle Chemoswed Holding AB's position as a stakeholder within DSM and DSM-products. In addition, it enables bringing new products to the market with an established sales team. PharmaCept GmbH has a strong network and distribution both within Europe but across the world as well. As a result of the acquisition, joint revenue is expected to grow faster than on a stand-alone basis.

Accordingly, the preliminary acquisition analysis of goodwill of SEK 40,4 million is valued upon acquisition, mainly attributable to synergies, future customers, future technology, market position and workforce at PharmaCept GmbH. The estimated useful lifetime and a further analysis on the split of Technology, customer relations, trademark PharmaCept, PlatiCept and EmboCept S will be reported in Q4 2021. The assets and liabilities included in this report period is the preliminary acquisition analysis as follows:

Fair value of net assets	PharmaCept GmbH	Purchase Price Allocation consideration	PharmaCept GmbH
TSEK		TSEK	
ASSETS		Allocation of purchase consideration	
Intangible assets		Purchase consideration, cash	16 203
Tangible assets		Consideration, debt	19 261
- Leased assets	610	Total consideration	35 463
- other assets	205	Fair value of acquired net assets	-4 902
Total non-current assets	815	Goodwill	40 365
Inventories	857	Investing activities	
Trade receivables	2 190	Purchase consideration	16 203
Other operating receivables	2 210	Cash and cash equivalents in acquired subsidiaries	-328
Cash and cash equivalents	328	Effects of acquisitions on cash and cash equivalents	-373
Total current assets	5 585	Contribution for acquired companies to consolidated sales and profit	
TOTAL ASSETS	6 401	Net sales	6 261
Liabilities to credit institutions	-	Loss after tax for the period	304
Liabilities leasing agreement	610		
Deferred tax liability	-		
Total non-current liabilities	610		
Short-term liabilities to credit institutions	1 218		
Short-term liabilities to parent company	4 000		
Trade payables	4 812		
Other operating liabilities	663		
Total current liabilities	10 693		
TOTAL LIABILITIES	11 303		
TOTAL ACQUIRED NET ASSETS	-4 902		

BOARD AND CEO STATEMENT.



Hans Henrik Lidgard
Founder & Chairman
Chairman since 2016.



Justin Pierce
CEO
CEO since 2016.



Sven-Christer Nilsson
Board member
Board member since 2016.



Mats Pettersson
Board member
Board member since 2016.



Malin Malmsjö
Board member
Board member since 2016.



Hedda Lidgard
Board member
Board member since 2016.



Joel Eklund
Board member
Board member since 2020.



Claudia Lindwall
Staff representative
Board member since 2021.



Ingela Fritzon
Staff representative
Board member since 2019.

The Board of Directors and the CEO certify that the interim report, to the best of their knowledge, provides a fair overview of the parent company's and the group's operations, financial position and results and describes the material risks and uncertainties faced by the parent company and the companies included in the group.

FORTHCOMING DISCLOSURES OF INFORMATION

FINANCIAL CALENDAR	DATE
FULL-YEAR AND INTERIM REPORT Q4, 2021	25TH FEBRUARY, 2021

CONTACT INFORMATION

Justin Pierce, CEO, phone +46 (0)70 593 58 21, justin.pierce@maglechemoswed.com

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