

Magle Group Announces Acquisition of pK Biotech ApS and pK Chemicals A/S

Magle Chemoswed Holding AB ("Magle Group") has signed a binding term sheet to acquire all shares in pK Biotech ApS and its subsidiary pK Chemicals A/S ("pK Chemicals") from PRS1 ApS (the "Seller"). The purchase price, comprising 7,200,000 newly issued shares in Magle Group, is valued at approximately SEK 240 million based on the closing price of Magle Group's share on 14 June 2024 (the "Consideration Shares"). The acquisition is not expected to affect the timeline or terms for the merger with Amniotics AB, announced by way of press release on 30 May 2024.

Merger Details

pK Chemicals, headquartered in Denmark, is a leading player in the global pharmaceutical and medico sectors. Known for its production of technical Dextran and Dextran Derivatives, pK Chemicals has 65 employees and operates two manufacturing sites in Denmark. In 2023, pK Chemicals reported a gross profit of approximately SEK 116 million, with a profit from operating activities of approximately SEK 17 million.

Justin Pierce, CEO of Magle Group, commented, *"This deal represents a significant milestone for Magle Group. By combining our innovative DSM technology with pK Chemicals' expertise in Dextran production, we are well-positioned to enhance our global competitiveness and expand our product offerings. We are excited about the growth opportunities this merger will bring."*

Merger Benefits

The merger will combine resources and expertise, unlocking new growth opportunities and achieving operational efficiencies. The new Magle Group will offer an extensive portfolio covering technical Dextran, Dextran Derivatives, DSM-based innovations, active pharmaceutical ingredients, and customised solutions for the pharmaceutical and medico sectors. Additionally, the increased CDMO capabilities will allow Magle Group to better serve existing and new customers with enhanced development and manufacturing services.

Increased Capacity and CDMO Expansion

This combination will significantly expand Magle Group's contract development and manufacturing organisation (CDMO) capabilities, increasing production capacity and broadening service offerings to meet the growing demand for high-quality development and manufacturing services.

Transaction Conditions

The deal is expected to be completed in Q3 2024, subject to the parties entering into a merger agreement, due diligence, regulatory approvals, and a shareholders' meeting in Magle Group to approve the new issue of shares. Following the merger agreement, Magle Group's Board of Directors will convene a shareholders' meeting to resolve on the new issue of the Consideration Shares, resulting in a dilution of 40 percent based on the current number of shares and votes in Magle Group. The Consideration Shares will be subject to a one-year lock-up undertaking for the Seller and certain ultimate owners of the Seller.

Advisors

Vator Securities AB is the financial advisor and Advokatfirman Schjødt is the legal advisor to Magle Group in connection with the transaction.

Contacts

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About Us

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 two operational areas. Magle Chemoswed – a contract development and manufacturing organization (CDMO) with a strong reputation for its high-quality development and manufacturing expertise and Magle PharmaCept – an established sales and marketing company for development and direct sales of the Groups medical technology products. Learn more on www.maglechemoswed.com and <https://maglegroup.com/> and www.maglepharmaceut.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.

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 2024-06-17 08:00 CEST.

Attachments

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