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PAXMAN intends to carry out a directed issue of shares

Paxman Ab (publ) ("PAXMAN" or the "Company") intends to carry out a new issue of shares in an amount of approximately SEK 75 million directed to Swedish and international institutional investors (the "Directed Issue"). PAXMAN has appointed Carnegie Investment Bank AB (publ) ("Carnegie") and ABG Sundal Collier to act as Joint Bookrunners in connection with the Directed Issue.

PAXMAN intends to carry out the Directed Issue based on the authorization to issue shares granted by the annual general meeting on May 26, 2021. The subscription price and the total number of new shares in the Directed Issue will be determined through an accelerated bookbuilding procedure, which will commence immediately following the publication of this press release and lead by Carnegie. Pricing and allocation of the new shares are expected to take place before the commencement of trading on Nasdaq First North Growth Market at 09:00 CET on December 17, 2021. By establishing the subscription price in the Directed Issue through an accelerated bookbuilding procedure, it is the assessment of the Board of Directors that the subscription price will be set on market terms and conditions. The closing, pricing and allocation in the bookbuilding procedure are determined at the discretion of the Company and may be cancelled at any time, meaning the Company may refrain, in part or in full, from carrying out the Directed Issue. The Company will announce the outcome of the Directed Issue in a subsequent press release after the bookbuilding procedure has been completed.

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

- i. invest in commercial organization to accelerate market access in the US through the roll-out of the new buy-and-bill business model to enable reimbursement incorporating a supportive patient assistance program to assist eligible patients;
- ii. invest in enhanced communication and education strategy relating to the new coding and payment strategies in the US, including continued engagement with priority providers, public and commercial payers to support of broad market access for Scalp Cooling across healthcare providers in the community and academic settings;
- iii. further strengthen and accelerate the Company's R&D work which includes the financing of clinical trials and regulatory approvals for the limb cryocompression device in preventing of Chemotherapy-induced Peripheral Neuropathy (CIPN) study in addition to its Paxman Scalp Cooling Research Centre; and
- iv. general corporate purposes and repayment of existing credit facility

The Board of Directors of the Company deems, after an overall assessment and careful consideration, that a new share issue with deviation from the shareholders' preferential rights is a more motivated alternative for the Company's shareholders than a rights issue and that it is in the objective best interest of both the

Company and its shareholders to carry out the Directed Issue. The Board of Directors' assessment is based on the fact that the Directed Issue enables the Company to raise capital quickly and efficiently, which in turn provides flexibility for potential investment possibilities in the short term, contributes to reduced exposure to price fluctuations on the capital market as well as provides the opportunity to benefit from the current interest in the Company's share among potential institutional investors. In addition, the Board of Directors has a positive view on an increased shareholding in the Company among institutional investors. Lastly, the Company considers that the dilution effect of the Directed Issue will be limited.

In connection with the Directed Issue, the Company has agreed to a lock-up undertaking, with customary exceptions, on future share issuances for a period of 180 calendar days after the settlement date of the Directed Issue. In addition, the members of the Board of Directors, apart from board member Glenn Paxman and shareholding members of the senior management have undertaken not to, subject to customary exceptions, divest any shares in the Company for a period of 180 days from the settlement date. Board member Glenn Paxman has undertaken not to, subject to customary exceptions, divest any shares in the Company for a period of 60 days from the settlement date.

The Directed Issue is subject to a resolution by the Board of Directors of PAXMAN, pursuant to the issue authorization given by the annual general meeting on May 26, 2021, to issue new shares, following the close of the bookbuilding procedure.

Advisers

Carnegie and ABG Sundal Collier are Joint Bookrunners in connection with the Directed Issue. Advokatfirman Delphi as legal advisor to the Company in connection with the Directed Issue.

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This information is information that Paxman AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 17:31 CET on December 16, 2021.

About PAXMAN

The Paxman Scalp Cooling System has been developed by the Paxman family to reduce hair loss in 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 over 4,000 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

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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.

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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.

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 2021-12-16 17:31 CET.

Attachments

[PAXMAN intends to carry out a directed issue of shares](#)