

Promore Pharma AB intends to carry out a reverse acquisition of PMD Device Solutions AB

Promore Pharma AB (publ) (the "Company" or "Promore") intends to acquire all the shares in PMD Device Solutions AB ("PMD") by making payment in the form of newly issued shares in the Company (the "Transaction"). The planned Transaction will constitute a so-called reverse acquisition. If completed, the voluntary liquidation that the Company entered following a resolution of the extraordinary general meeting on 5 October 2023 will be terminated and the Company will continue by assuming PMD's operations. The Company's current operations will be discontinued in connection with the Transaction. It is proposed to carry out the Transaction by way of a share issue directed to the shareholders of PMD with payment by way of non-cash contribution consisting of all shares in PMD. The termination of the voluntary liquidation and the Transaction is subject to a resolution at an extraordinary general meeting in the Company. Notice to the general meeting will be published through a separate press release. Prior to the Transaction, PMD plans to carry out a private placement of approximately SEK 26.5 million through an issue of shares to certain existing shareholders and new investors (the "Private Placement").

The Transaction in brief

- Promore intends to acquire all the shares in PMD for a purchase price of approximately SEK 125 million. The purchase price for all shares in PMD is intended to be paid with a total of 2,574,461,929 newly issued shares in the Company through a non-cash issue and the Transaction constitutes a so-called reverse acquisition.
- PMD have in connection with the Transaction resolved to carry out a Private Placement of approximately SEK 26.5 million at a subscription price of SEK 6.81 per share. The valuation of PMD determined through the Private Placement is the basis for the valuation of PMD in the proposed Transaction.
- Following the issue of the consideration shares at the extraordinary general meeting, Promore's existing shareholders will hold approximately 2.3 per cent of the shares in the Company and the shareholders of PMD will hold approximately 97.7 per cent in the Company.
- The Transaction is conditional on Nasdaq Stockholm approving the continued listing of the Company's shares on Nasdaq First North Growth Market and on the extraordinary general meeting of Promore resolving to carry out the Transaction. The two largest shareholders in the Company with a combined share of the votes of 49.7 per cent have agreed to enter into customary voting undertakings regarding the proposals to be put forward in connection with the Transaction.
- As part of the Transaction, Promore will undergo a name change to PMD Device Solutions AB and will continue to operate PMD's business. Changes will also be made to the board of directors and senior executives. In order to achieve an appropriate number of shares, it is proposed that Promore undertakes a reverse share split (1:128). Promore's current operations will be discontinued in connection with the Transaction.
- The extraordinary general meeting to resolve on the Transaction is expected to be held on 29 December 2023. Prior to the extraordinary general meeting, the preliminary approval from Nasdaq Stockholm is expected to be granted and a company description will be published.
- Certain shareholders of PMD and Promore have agreed to enter lock-up undertakings following completion of the Transaction.

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 Device Solutions AB 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.

PMD today generates over SEK 32 million of annual recurring revenue with gross margins of approximately 80 per cent and employs over 20 persons.

Description of the Transaction

Since spring 2023, Promore has faced a very challenging market situation with a low market value in relation to the Company's need for new investments. The company received the final results of the PHSU05 clinical trial, which showed that the treatment effect of Ensereptide was insufficient to justify further investments, which is why the board subsequently decided to discontinue this development project. This resulted in the Company's market value being greatly reduced. Furthermore, the financial markets have been unstable. In general, it has created a difficult climate for the Company to carry out public share issues, which would be needed to finance the continued development of the Company's main asset, the drug candidate Ropocamptide. Following a decision at an extraordinary general meeting held on 5 October 2023, Promore entered into voluntary liquidation with effect from 12 October 2023. In light of the proposed Transaction, the basis for the voluntary liquidation will no longer exist. Against this background, it will be proposed that the extraordinary general meeting in Promore to decide on the Transaction will also decide to terminate the voluntary liquidation process.

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. The board of PMD believes that a listing on the Nasdaq First North Growth Market will provide a quality stamp that contributes to confidence in discussions with potential customers and partners and an increased interest in PMD from the public, investors and other stakeholders. The Transaction will also enhance the conditions for creating shareholder value and gives PMD access to the capital market. The access to the stock market will also facilitate the implementation of the PMD's growth plans and ambition to expand the business into new markets globally.

As part of the Transaction, Promore will undergo a name change to PMD Device Solutions AB and will continue to operate PMD's business. Changes will also be made to the board of directors and senior executives. To achieve an appropriate number of shares, it will be proposed for Promore to undertake a reverse share split of 1:128.

Promore's current operations will be discontinued in connection with the Transaction. The background for this is that (i) the runway of the remaining patent family is limited, (ii) the competitive challenge has increased in recent years and (iii) the prior management, board and liquidator have exhausted all opportunities to monetize the remaining assets.

The Transaction is proposed to be carried out as an issue of 2,574,461,929 new shares in Promore directed to the shareholders of PMD with payment by way of non-cash contribution of all shares in PMD. The subscription price in the share issue corresponds to a valuation of PMD of approximately SEK 153.5 million, which is the post-money valuation after the completion of the Private Placement in PMD.

All current shareholders in PMD with a holding greater than 1.0 per cent have entered a lock-up agreement for 12 months following completion of the Transaction. All current shareholders in Promore with holdings of 10 per cent or more of the Promore shares have entered in a stepwise lock-up with 1/3 free from restriction after 6 months from the Transaction, another 1/3 free from restriction after 9 months of the Transaction and the balance free from restriction after 12 months from the Transaction.

"I am pleased to present this opportunity of the reverse acquisition to the shareholders of Promore Pharma. During the last few weeks, we have done all in our power to be able to offer the current shareholders of Promore Pharma opportunities to realize remaining values in Promore Pharma," says Lars-Henrik Andersson, Liquidator. "The situation for the company has been extremely challenging since April 2023, and I believe that the intended transaction is the best feasible solution for all stakeholders of Promore Pharma," he continues.

Myles Murray, founder and CEO of PMD says, "PMD's vision is to establish its innovations as the standard of care to reduce the incidence of adverse events a significant volume of people experience during exacerbations, acute episodes of pneumonia, and seasonal acute respiratory infections; both in hospital and the home. This transaction presents a unique opportunity to support our continued market expansion. We are grateful to the support received from the Team and Board of Promore Pharma during this transaction and we are grateful to continue serving an increasing number of both patients and shareholders by #MakingEveryBreathCount."

Ownership structure following the Transaction and changes in the amount of shares and share capital

The proposed Transaction constitutes a reverse acquisition whereby payment for all shares in PMD will be made through a non-cash issue of new shares in Promore to the sellers of PMD. Following the Transaction, the current shareholders of PMD, taking into account the Private Placement, will hold approximately 97.7 per cent of the shares and votes in the Company and the current shareholders of the Company will hold approximately 2.3 per cent of the shares and votes of the Company.

The Transaction entails an increase in the amount of shares in the Company 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.

Through the Transaction, 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 will be applying for 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 will be conditional on the Transaction being approved by a shareholders' meeting in Promore with a two-thirds majority.

Application for continued listing on Nasdaq First North Growth Market

The Transaction will entail a significant change in the Company's operations and, due to this, a new listing process is required for Promore on Nasdaq First North Growth Market. Nasdaq Stockholm must first approve Promore for continued listing on Nasdaq First North Growth Market before the Transaction can be completed. Due to this and, provided that Nasdaq approves the listing, a company description will be published.

Extraordinary general meeting

The Company's acquisition of PMD will be subject to the approval of the extraordinary general meeting of Promore expected to be held on 29 December 2023. Due to the ongoing liquidation, the extraordinary general meeting will be convened by Promore's liquidator, at the request of Coespring New Technology AB, the largest shareholder in Promore. The extraordinary general meeting for decisions on matters relating to the Transaction is intended to be convened prior to receipt of preliminary approval for a continued listing from Nasdaq Stockholm. This includes terminating the voluntary liquidation, a change of company name, changes to the articles of association, election of a new board of directors, a reverse share split of shares and authorisation for the board of directors to issue new shares. The intention is that Nasdaq Stockholm's preliminary approval will be received and that a company description will be available before the extraordinary general meeting, which is expected to be held during December 2023.

Private Placement in PMD and authorisation to issue additional shares in the Company

For securing working capital to grow market share in the United Kingdom and to undertake market access activities in Germany and the United States, PMD plans to raise capital of approximately SEK 26.5 million through an issue of shares in PMD to certain existing shareholders and new investors prior to the completion of the Transaction. The investors include PMD's board member Christer Ahlberg (former CEO of Sedana Medical). PMD has engaged Redeye as financial adviser for the capital raise.

In addition to what is needed to cover the Company's working capital for the next 12 months and due to end-of-year time constraints, it will be proposed for the Extraordinary General Meeting on 29 December 2023 to resolve on a specific authorisation. The specific authorisation will be aimed at enabling the new board of directors of Company to carry out an additional capital raise, on the same terms as in the Private Placement up to an amount not exceeding SEK 11.5 million in order to accommodate further interest in participation in the Private Placement.

Change of Certified Adviser

In connection with the Transaction, Promore will change certified Adviser from Erik Penser Bank AB to Redeye AB with effect from today's date.

Advisors

Eversheds Sutherland Advokatbyrå AB acts as legal advisor to PMD in connection with the Transaction and the Private Placement. Fóla Private Partners in Ireland acts as transaction advisor with the Transaction. Redeye AB acts as financial advisor in connection with PMD's Private Placement.

For additional information, please contact

Lars-Henrik Andersson, liquidator
Phone: [+46] 8 527 91 600
E-mail: Lars-Henrik.Andersson@cirio.se

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.

This information is information that Promore Pharma 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 2023-11-29 08:25 CET.

Attachments

[Promore Pharma AB intends to carry out a reverse acquisition of PMD Device Solutions AB](#)