

PMDS carries out a rights issue of approximately SEK 27.5 million

PMDS Device Solutions AB ("PMDS" or the "Company") today announces that the board of directors, based on the authorization from the Annual General Meeting on June 28, 2024, has resolved on the previously communicated issue of a maximum of 6,254,559 shares, with preferential rights for the Company's existing shareholders (the "Rights Issue"). The purpose of the Rights Issue is to accelerate both PMDS' UK and US business and support balance sheet improvements. The subscription period takes place during the period from August 19, 2024 up to and including September 2, 2024. PMDS has received underwriting commitments from a consortium of external investors led by Life Science Invest Fund 1 ApS totaling approximately SEK 22.0 million, corresponding to 80.0 percent of the Rights Issue.

Summary

- The board of directors of the Company has decided on the Rights Issue which was communicated on June 11, 2024.
- The Rights Issue comprises a maximum of 6,254,559 shares. Upon full subscription of the Rights Issue, PMDS will receive approximately SEK 27.5 million, before issue costs.
- The Rights Issue is covered up to 80 percent by underwriting commitments.
- Those who are registered as shareholders on the record date of August 15, 2024, will receive one (1) subscription right for each one (1) share held on the record date. Ten (10) subscription rights will entitle to subscription of three (3) newly issued shares.
- The subscription period for the Rights Issue is expected to take place from August 19, 2024 to September 2, 2024.
- To support UK sales and the restructuring of the US company until the Rights Issue is completed, the Company has taken out bridge loans totalling SEK 12.0 million from Fenja Capital I A/S, Råsunda Förvaltning AB and Gerhard Dal.
- The Company will prepare an information memorandum regarding the Rights Issue, which is expected to be published on August 16, 2024 (the "Information Memorandum").

Background and rationale in summary

With the evolution of PMDS' business model to include Hospital At Home, and the recent acquisition of the US Remote Patient Monitoring business, PMDS has decided to take this opportunity to both accelerate its UK and US businesses and support balance sheet improvements with a Rights Issue of up to 27.5 MSEK.

Expected use of proceeds from the Rights Issue

Upon full subscription in the Rights Issue, PMDS will initially receive approximately SEK 27.5 million before issue costs of approximately SEK 5.8 million, of which costs associated with underwriting commitments amount to approximately SEK 3.3 million.

As PMDS continues to work towards its target of achieving significant Annual Recurring Revenue (ARR) to have positive cash flow by year end, PMDS will use the proceeds for both supporting the net cash requirements of each main business unit for the coming months, in addition to improving the balance sheet. It is indicatively expected that the net proceeds of approximately max. SEK 21.7 will be used to finance the following activities, listed in order of priority:

- 20% will be used for supporting US operations
- 6% will be used to support scaling UK sales activities
- 14% for supporting group operations
- 60% to be used to support balance sheet improvements, including repayment of bridge loans

Terms of the Rights Issue

The Board of Directors of PMDS has resolved, based on authorization from the Annual General Meeting, to issue shares with preferential rights for the Company's existing shareholders in accordance with the terms listed below.

- Those who are registered as shareholders on the record date of August 15, 2024 will receive one (1) subscription right for each one (1) share held on the record date. Ten (10) subscription rights will entitle to subscription of three (3) newly issued shares.
- The subscription price will be SEK 4.40 per share.
- The Rights Issue consists of a maximum of 6,254,559 new shares. Upon full subscription in the Rights Issue, the Company will receive approximately SEK 27.5 million, before issue costs, which are estimated to amount to approximately SEK 5.8 million. The Company's share capital may increase by SEK 32,032,581.08, from SEK 106,775,270.26 to SEK 138,807,851.34.
- The subscription period for the Rights Issue is expected to take place from August 19, 2024 to September 2, 2024.
- Upon full subscription of the Rights Issue, existing shareholders who choose not to participate in the Rights Issue, will experience a dilution of approximately 23.1 percent.
- Trading in paid interim shares (BTA) is expected to take place during the subscription period until conversion of BTA into shares following the registration at the Swedish Companies Registration Office. Such registration is expected to take place around week 38, 2024.

Underwriting commitments

The Rights Issue is partially covered by underwriting commitments to 80 percent. The underwriting commitments have been provided by a consortium of external investors led by Life Science Invest Fund 1 ApS. For underwriting commitments, an underwriting compensation of fifteen (15) percent of the underwritten amount is paid in cash, or twenty (20) percent of the underwritten amount in newly issued shares. In the event of an directed share issue to underwriters, it has been agreed, following negotiations with the underwriters with support of advisors, that the subscription price will be the same as in the Rights Issue. Underwriting commitments have not been secured by way of advance transactions, bank guarantees or similar measures.

Timetable, all dates referring to 2024

August 13	Last day of trading of shares in PMDS including the right to receive subscription rights.
August 14	First day of trading of shares in PMDS excluding the right to receive subscription rights.
August 15	The record date for receiving subscription rights. Shareholders who are registered in the share register kept by Euroclear Sweden AB as of this day will receive subscription rights for participation in the Rights Issue.
August 16	The information memorandum with regards to the Rights Issue is expected to be published.
August 19 – August 28	Trading with subscription rights on Nasdaq First North Growth Market.
August 19 – September 2	The Subscription Period for the Rights Issue.
Around September 5	The announcement of the outcome of the Rights Issue is expected to be published.

Bridge financing

To support UK sales and the restructuring of the US company until the Rights Issue has been completed, the Company has raised bridge loans of SEK 12.0 million in total from Fenja Capital I A/S, Råsunda Förvaltning AB and Gerhard Dal. As compensation for the loans, a commitment fee of 5.00 percent and an interest of 2.00 percent per month or part thereof is charged. The loans are to be repaid no later than September 30, 2024. The lenders have the right, but not the obligation, to set off all or part of the loans, including accrued interest, against issued shares in the Rights Issue, provided that the lenders are allocated shares in the Rights Issue.

Advisors

Stockholm Corporate Finance is acting as financial adviser to the Company in the Rights Issue. Eversheds Sutherland Advokatbyrå AB is acting as legal adviser to the Company. Nordic Issuing act as issuing agent in the Rights Issue.

IMPORTANT INFORMATION

This press release is not an offer to subscribe for shares in PMDS and investors should not subscribe or acquire any securities. Invitation to concerned persons to subscribe for shares in PMDS will only be made through the Information Memorandum.

This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or any other country where such action as a whole or in part is subject to legal restrictions. Neither subscription rights, paid interim shares ("BTA") or newly issued shares have been recommended or approved by any US federal or state securities authority or regulatory authority. No subscription rights, BTA or newly issued shares have been registered or will be registered under the United States Securities Act of 1933, as applicable, or in accordance with applicable laws in The United States, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or in any other country where the Rights Issue or distribution of the press release is in violation of applicable laws or regulations or presupposes that a further prospectus is established, registered or that any other measure is undertaken beyond that required by Swedish law. The press release, as well as the prospectus, the application form and other documents attributable to the Rights Issue, may consequently not be distributed to any such jurisdiction.

There is no intention to register any portion of the offer in the United States and the securities issued in the Rights Issue will not be offered to the public in the United States.

The Company has not authorized any offer to the public with regards to the shares or rights that are referred to in this communication in any member state of the European Economic Area ("EEA") besides Sweden. This communication is only addressed to and is only directed at qualified investors in other member states within the EEA.

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" (within the meaning of the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) 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 document and should not act or rely on it.

The press release contains certain forward-looking statements that reflect the Company's current views or expectations with respect to future events and financial and operational performance. The words "intend", "estimate", "expect", "may", "plan", "anticipate" or similar expressions regarding indications or forecasts of future developments or trends, which are not statements based on historical facts, constitute forward-looking information. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

This information is information that PMD Device Solutions 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 2024-07-05 18:07 CEST.

Information about PMDS

PMD Device Solutions AB develops and sells medical products for respiratory monitoring in both the hospital acute monitoring sector and the remote monitoring homecare sector. Its primary product is RespiraSense, a solution used for monitoring respiratory rate to support the detection of patient deterioration early and to avoid preventable respiratory failure and adverse patient outcomes. RespiraSense is, to the Company's knowledge, the world's only continuous, motion-tolerant respiratory rate monitor delivering class-leading reliability in measuring respiratory rate. RespiraSense is a novel technology that is commercialised in Europe, the UK, and FDA cleared in the US. The company's shares are listed on Nasdaq First North Growth Market (STO: PMDS).

For additional information, please contact

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The Company's Certified Adviser is Redeye.

Attachments

**PMDS carries out a rights issue of approximately SEK 27.5 million
BMM Resolution On Rights Issue**