

Q4 2022.

magle
group.

Oct.-Dec. '22

- Net sales amounted to 45.9 MSEK (35.9).
- EBITDA equalled 5.9 MSEK (4.4).
- Operating profit (EBIT) is 2.9 MSEK (1.3)
- Profit after tax amounted to 0.8 MSEK (1.2)
- Earnings per share SEK 0.1 (0.1) per share

Period events

- AXXO Woundgel launched in Kuwait
- EmboCept® S registered in Argentina
- SmartPAN® ViP study completed

Full Year '22

- Net sales amounted to 145.7 MSEK (132.1).
- EBITDA equalled 25.5 MSEK (16.8).
- Operating profit (EBIT) is 12.5 MSEK (5.2)
- Profit after tax amounted to 9.4 MSEK (4.2)
- Earnings per share SEK 0.9 (0.4) per share

After period

- Investment to expand CDMO fill and finish production capabilities has commenced in Q1, 2023

KEY INDICATORS.

| | | 2022 Oct-Dec | 2021 Oct-Dec (restated) | 2022 Jan-Dec | 2021 Jan-Dec (restated) | 2020 Jan-Dec |
|---|--|-----------------|-------------------------------|-----------------|-------------------------------|-----------------|
| Net sales, TSEK | | 45 917 | 35 992 | 145 677 | 132 145 | 142 337 |
| EBITDA, TSEK | | 5 873 | 4 368 | 25 486 | 16 848 | 16 193 |
| EBITDA margin, % | | 13% | 12% | 17% | 13% | 11% |
| Operating profit, TSEK | | 2 922 | 1 284 | 12 507 | 5 201 | 4 526 |
| Net profit/loss for the period, TSEK <small>note 8</small> | | 841 | 1 201 | 9 409 | 4 278 | 1 819 |
| Earnings per share, SEK | | 0,1 | 0,1 | 0,9 | 0,4 | 0,2 |
| Operating cash flow, TSEK | | 12 042 | 7 557 | 15 331 | 26 039 | -5 545 |
| Operating cash flow per share, SEK | | 1,1 | 0,7 | 1,4 | 2,4 | -0,5 |
| Equity ratio, % <small>note 8</small> | | 57% | 57% | 57% | 57% | 59% |
| Equity at period end, TSEK <small>note 8</small> | | 146 812 | 138 874 | 146 812 | 138 874 | 116 121 |
| Return on Equity <small>note 8</small> | | 0,6% | 1,1% | 7,6% | 4,0% | 2,1% |
| Return on Asset <small>note 8</small> | | 0,5% | 0,7% | 4,8% | 2,1% | 2,6% |
| Net debt, TSEK | | -35 593 | -26 380 | -35 593 | -26 380 | -33 902 |

Introduction

Statement of our CEO.

Looking back at the year 2022, we can conclude that Magle Group has made significant progress in the efforts of generating steadily growing revenues and profit based on its DSM (Degradable Starch Microsphere) material science platform and state-of-the-art CDMO business. The fourth quarter was no exception, with a year-on-year increase in total revenues of 8 percent and an operating profit growth of 58 percent.

New market launches

During the year, we have been able to expand the availability of several proprietary products to new geographies, most recently through the regulatory approval of AXOX® Wound Gel in Kuwait and Embocept® S in Argentina. In parallel, sales in Europe have continued to develop well. As part of our growth strategy, we are now preparing for approvals and launches in further territories across the globe. In the fourth quarter, we successfully completed the SmartPAN® post-market clinical follow-up study. The results confirm the product's ability to detect pancreatic fluid leakage and thereby minimize the risk of hard-to-treat and potentially life-threatening postoperative fistulas. This important dataset will serve us well in ongoing reimbursement processes and in our interactions with leading surgeons as we gear up for commercial launch. Pertaining to markets and products where we are collaborating with commercial partners, we are experiencing increased royalty revenues owing to higher sales levels as well as beneficial currency exchange rates.

Solid growth in our CDMO business

We saw continued strong demand for our CDMO services during the fourth quarter of 2022, and full-year revenues came in at SEK 96.1 million. The excellent performance is due to our reputation as a state-of-the-art provider of contract development and manufacturing services,

particularly within the area of drug development projects. Our increasing focus on the manufacturing of proprietary products has contributed to improved profit margins.

A strong platform for continued growth

With a professional and dedicated team and a strong sales momentum, I remain confident that Magle Group's business model will continue to deliver value to our shareholders. We are proud to contribute to better health for patients in a growing number of geographical territories, both directly through our proprietary DSM products and indirectly by delivering superior CDMO services to other life science companies around the globe. With carefully balanced continued investments, we will be able to further gear up our long-term growth and are looking forward to yet another prosperous year.

Malmö, 16 February 2023



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 Group is founded on strategic acquisitions aimed at driving growth and diversifying risk. Magle AB (formed in 1995 as a pure development company) acquired Chemoswed AB (formed in 1944 as a manufacturing company) in 2016 before merging the companies in 2017 to form Magle Chemoswed. In 2019, Adroit Science AB was acquired to increase the development services segment. In 2021, PharmaCept GmbH was acquired as a first step towards developing a sales and marketing company in Europe.

A risk balanced group.

The Magle Group's business builds on a proven growth model incorporating risk diversification and the establishment of high-value revenue streams. This unique business model and approach generates stable and diversified revenues that support further business growth and investments while mitigating potential financial risks. The Group builds revenue streams across its business areas, including selling a portfolio of generic active drug substances. Supply of development and contract manufacturing services to customers as part of the contract development and manufacturing operation in the CDMO business generate further revenue contributions.

Magle PharmaCept.

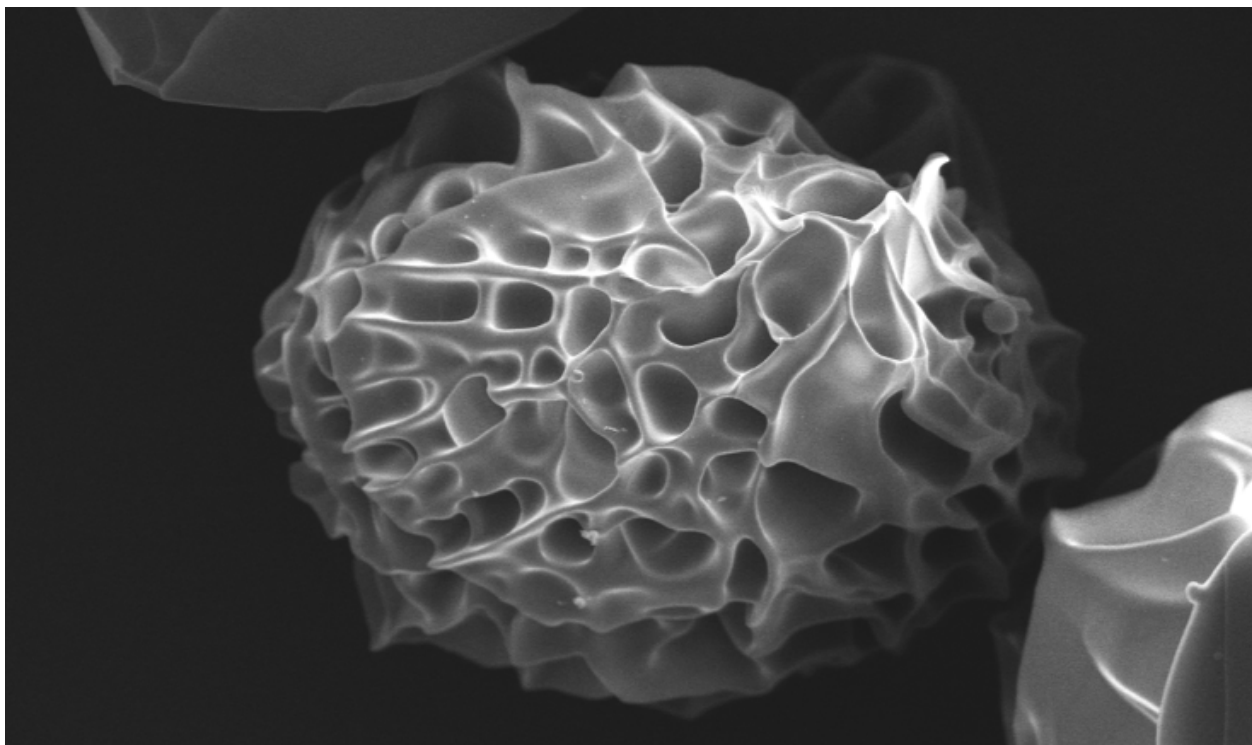
Magle PharmaCept, based in Berlin, focuses on driving strategic development and commercialisation of the Group's proprietary and proven medical technology, DSM, in high-value medical segments with unmet medical needs. The sales team in the Berlin office drives the marketing of DSM medical device products in Europe and supports the international distributor network.

Magle Chemoswed.

Magle Chemoswed, based in Malmö, is the Group's contract development and manufacturing organisation (CDMO), and contributes to stable revenues and profitable returns through contract manufacturing to customers and the sale of the Group's generic drug substance portfolio alongside the manufacturing of DSM products.

A unique medical technology.

The Magle Group medical technology is a degradable starch microsphere (DSM) polymer technology with unique properties suitable for use in various medical procedures. Areas of successful DSM application in approved products include general surgery, minimally invasive surgery, and advanced wound care. Multidisciplinary scientific teams with the experience, agility, and creativity to deliver innovative solutions that solve today's and tomorrow's challenges drive the development pipeline. In addition, our teams collaborate closely with clinics and research institutions to ensure we develop innovative solutions that positively impact patient outcomes. Our research programme focuses on further developing DSM and expanding into application areas with pressing medical needs. The Group's DSM medical technology is a high-growth area, with high potential for long-term revenue contributions.



The Magle Group medical technology is a degradable starch microsphere (DSM) polymer technology with unique properties suitable for use in various medical procedure. DSM uses starch as its starting material. Starch is well documented as 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 with the human body. DSM is a multipurpose advanced technology base usable in several different combinations and formulations. Areas of successful DSM application in approved products include general surgery, minimally invasive surgery, and advanced wound care.

EMBOCEPT® L, 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. EmboCept® L is in the final scale-up and commercial readiness stages before filing the regulatory documentation for approval in the Europe Union.

EMBOCEPT® M, 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. EmboCept® M is in the final scale-up and commercial readiness stages before filing the regulatory documentation for approval in the Europe Union.

SMARTBONE 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. SmartBone is in the early development phase, and a patent application protecting the invention in combination with the DSM was filed in 2021/22. The project will move into pre-clinical stage in 2022.

Magle PharmaCept is a dedicated healthcare company with a history embedded in successfully bringing innovations to market. As the originator of the degradable starch microsphere (DSM) technology, we have developed proven solutions for clinically complex and challenging conditions and procedures. Magle PharmaCept products, such as SmartPAN®, SmartGel® and EmboCept®, all use the DSM medical technology. All these products are designed to bring high-quality, life-changing healthcare innovations to every patient globally, with the aspiration to make a positive medical impact by improving treatment options through innovation. The European direct sales force based in Berlin is the Magle Group's direct market access point for DSM products. In addition, extended international market access is achieved through the appointment and management of distribution partners is managed in Magle PharmaCept. Areas of successful DSM application in approved products include general surgery, minimally invasive surgery, and advanced wound care, sales of all DSM products. Income for the period is 2.6 MSEK (5.5) sales of the DSM products continues to be a strategic growth channel for growth in the Group. Sales channels in the period were increased with new employments in Germany and advanced discussions in France with a go-to-market team increasing the Group's direct sales footprint.

The Magle Group holds a long-term licence agreement with Becton Dickinson. The agreement signed in 2015 expanded the global partnership with Becton, Dickinson & Company. The license agreement, which includes a right to use the DSM technology covers the use of DSM in the hemostasis product segments in Becton Dickinson's portfolio. Through this collaboration, there is long term operational income from the sale of the Becton Dickinson product portfolio that incorporates DSM. The license agreement will generate license revenue on a long-term basis and has the potential to generate constant license revenues in the future. The agreement also holds the potential to create new opportunities for new products in the field of hemostasis. Royalties are received in arrears and paid on a quarterly basis. Royalty income for the period is 9.5 MSEK (2.5).



Manufacturing services.

As a full-service contract development and manufacturing organisation (CDMO), Magle Chemoswed can take on manufacturing alongside development services. The teams also work with clients looking to outsource specific components of their process without the need for extensive development work. In addition, expertise in specialist manufacturing areas increases the incentives for companies to use the manufacturing offerings by providing commercial manufacturing and related pre-commercial manufacturing including clinical supply.

The facilities in Malmö, Sweden, are owned by the Group and encompass inspected and certified manufacturing facilities for pharmaceuticals and medical devices. Magle Chemoswed operates under European good manufacturing practices for pharmaceuticals and under ISO13485:2016 for medical devices.

Alongside traditional CDMO work, the manufacturing operations support the production of medical device products belonging to the Group approved for commercialisation by relevant authorities. The Group products are based on the proprietary degradable starch microsphere (DSM) medical technology.

In addition, manufacturing operations are responsible for the production of the Magle Group generic drug substance portfolio that is supplied to customers worldwide and provide stable revenue bases.

Income for the period is 20.7 MSEK (21.9), of which the sum of 3.2 MSEK is attributable to the provision of internal manufacturing services. Accordingly, the income for the period, excluding internal production, is 17.5 (16.4). The Magle Group generic drug substance manufacturing accounted for 17.1 MSEK (9.2).





Magle Chemoswed provides a full range of development services covering the development chain for pharmaceuticals and medical devices. Research and development is an essential component of drug development that forms the foundation for all the steps to a drug filing. With over 70 years of combined experience, Magle Chemoswed has a rich history of successfully providing development services that support products coming to market.

Development can result in the creation of new chemical or organic compounds, the discovery of new insights about a disease that already exists, and even new technologies for delivering a drug that already exists.

The development teams play an essential role in helping deliver solutions to customers' candidates to expedite their projects and provide a full range of chemistry support in bringing new products to commercialisation stages.

Throughout every step of product development, our teams work closely alongside our customers, helping them navigate the process and mitigate risk.

Reported revenues for development services generated from external customers and intercompany sales are part of the Group's operating income. Magle Chemoswed provides intercompany development services for product development of DSM products.

The generation of customer revenue is on a contract for service basis under which Magle Chemoswed provides development services for a fee under contract. Income for the period is 16.4 MSEK (11.6).





Financial statements

Operating income

Net sales for the fourth quarter amounted to 45.9 MSEK (36.0). During Q2-2021 to Q4-2021 the pass-through income other revenue, from Q3 2022 is included in our contract services and posted as net sales.

Operating expenses

Operating expenses for the fourth quarter amounted to 45.9 MSEK (38.1). The increase in expenses is mainly attributable to operational costs, with increases in sales and marketing, external services and facilities.

Raw material and consumables

Raw materials and consumables for the period amounted to 6.1 MSEK (7.9), which resulted in a gross margin of 87 percent (78 percent). For the year to date amounted to 14.0 MSEK (21.3), which resulted in a gross margin of 90 percent (84 percent).

Research and development expenses

Research and development expenses for the fourth quarter amounted to 2.1 MSEK (2.5). The decrease is mainly explained by the increased resources recuried to support the CDMO business. For the full year the company has capitalised 2.3 MSEK for development costs in accordance with IFRS regulations.

Other operating income, expenses

Other operating income for the fourth quarter amounted to 2.8 MSEK (3.4) whereof 0.9 MSEK are directly related to currency gains. The operating expenses amounted to 2.4 MSEK (0.0) for the year. 2.2 MSEK of the costs are directly related to the write off on replaced operating assets and 0.2 MSEK in currency effect.

During the period, Magle Chemoswed received a grant of 395 TSEK from the European Eurostars program for the Carrier4TSC project. Other operating income and expenses mainly consist of grants and other services not linked to our core business.

Result

The operating profit for the fourth quarter amounted to 2.9 MSEK (1.3). The result from financial items amounted to -2.1 MSEK (0.2). The result after financial items for the fourth quarter amounted to 0.9 MSEK (1.5).

Cash flow, investments, and financial position

Cash flow from investing activities for the forth quarter amounted to 4.0 MSEK (5.3). Cash flow from financing activities for the year to date amounted to 9.2 MSEK (5.9). As of December 31, 2022, cash and cash equivalents amounted to 9.9 MSEK (4.0 MSEK as of December 31, 2021).

Equity

Equity as of December 31, 2022, amounted to 146.8 MSEK (138.9), corresponding to 13.6 (12.9) per share. The company's equity ratio at the end of the period, was 57 percent (57 percent). The company believes that this key ratio provides investors with useful information of the company's capital structure.

Income statement.

| TSEK | | 2022 Oct-Dec | 2021 Oct-Dec (restated) | 2022 Jan-Dec | 2021 Jan-Dec (restated) |
|---|--------|-----------------|-------------------------------|-----------------|-------------------------------|
| Revenues | | | | | |
| Net sales | | 45 917 | 35 992 | 145 677 | 132 145 |
| Work performed by the company for its own use and capitalized | | 131 | - | 2 305 | - |
| Other revenues | | 2 796 | 3 393 | 8 394 | 12 346 |
| Total | | 48 844 | 39 385 | 156 376 | 144 491 |
| | | | | | |
| Change in inventory of finish goods | | 9 201 | 205 | 25 990 | 1650 |
| Raw materials and consumables | | -15 260 | -8 132 | -39 958 | -22 963 |
| Other external expenses | | -15 873 | -10 840 | -48 452 | -43 444 |
| Personnel costs | | -18 675 | -16 206 | -64 881 | -62 842 |
| Depreciation and amortization | | -2 952 | -3 084 | -12 979 | -11 647 |
| Other operating expenses | | -2 364 | -44 | -3 589 | -44 |
| Total operating expenses | | -45 922 | -38 101 | -143 870 | -139 290 |
| | | | | | |
| Operating profit/loss | | 2 922 | 1 284 | 12 507 | 5 201 |
| | | | | | |
| Profit/loss from financial items | | | | | |
| Financial income | | - 1 644 | 460 | 4 | 298 |
| Financial expenses | | -389 | -258 | -1 400 | - |
| | | | | | |
| Profit before tax | | 868 | 1 487 | 11 111 | 5 500 |
| | | | | | |
| Taxes for the period | note 8 | -28 | -287 | -1 702 | -1 222 |
| | | | | | |
| Net profit/loss for the period | | 841 | 1 201 | 9 409 | 4 278 |

Condensed statement of comprehensive income.

| TSEK | | 2022 Oct-Dec | 2021 Oct-Dec (restated) | 2022 Jan-Dec | 2021 Jan-Dec (restated) |
|--|---------------|-----------------|-------------------------------|-----------------|-------------------------------|
| Profit/loss for the period | <i>note 8</i> | 841 | 1 201 | 9 409 | 4 278 |
| Other comprehensive income/loss | | -1 470 | -675 | -1 470 | -675 |
| Total comprehensive income for the period | | -629 | 526 | -7 939 | 3 603 |

Earnings per share.

| | | 2022 Oct-Dec | 2021 Oct-Dec (restated) | 2022 Jan-Dec | 2021 Jan-Dec (restated) |
|---|---------------|-----------------|-------------------------------|-----------------|-------------------------------|
| Equity holders of the parent | | | | | |
| Earnings per share before dilution, share issue | | 0,08 | 0,11 | 0,87 | 0,43 |
| Earnings per share after dilution, share issue | | 0,08 | 0,11 | 0,87 | 0,43 |
| Profit/loss for the period | <i>Note 8</i> | 841 | 1 201 | 9 409 | 4 278 |
| Average number of shares before dilution, share issue | | 10 800 | 10 800 | 10 800 | 10 800 |
| Average number of shares after dilution, share issue | | 10 800 | 10 800 | 10 800 | 10 800 |

Condensed consolidated balance sheet.

| TSEK | | 2022 Dec | 2021 Dec (restated) |
|---|--------|----------------|------------------------|
| ASSETS | | | |
| Intangible assets | Note 8 | 82 507 | 77 650 |
| Tangible assets | | 101 280 | 103 120 |
| Deferred tax asset | | 1 722 | - |
| Other non-current assets | | 676 | 676 |
| Total non-current assets | | 186 186 | 181 446 |
| Inventories | | 31 448 | 19 756 |
| Trade receivables | | 14 457 | 25 239 |
| Other operating receivables | | 16 843 | 13 134 |
| Cash and cash equivalents | | 9 877 | 3 985 |
| Total current assets | | 72 626 | 62 113 |
| TOTAL ASSETS | | 258 812 | 243 558 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to equity holders of the parent | Note 8 | 146 812 | 138 874 |
| Liabilities to credit institutions | | 31 538 | 25 938 |
| Leasing debt | | 2 899 | 3 748 |
| Deferred tax liability | Note 8 | 8 608 | 8 465 |
| Other longterm liabilities | | 7 852 | 13 632 |
| Total non-current liabilities | | 50 941 | 45 484 |
| Liabilities to credit institutions | | 13 887 | 4 427 |
| Leasing debt | | 1 974 | 2 351 |
| Trade payables | | 9 564 | 17 954 |
| Liabilities to associated companies | | 3 000 | - |
| Other operating liabilities | | 32 634 | 28 169 |
| Total current liabilities | | 61 059 | 52 901 |
| TOTAL EQUITY AND LIABILITIES | | 258 812 | 243 558 |

Condensed statement of changes in equity.

| | Share capital | Other paid in capital | Translation reserves | Retained earnings incl. P/L for year | Total equity |
|---|---------------|-----------------------|----------------------|--------------------------------------|----------------|
| TSEK | | | | | |
| As at 1 January 2021 | 500 | 98 927 | | 16 694 | 116 121 |
| Profit/loss as at 31 December 2021 | | | | 4 194 | 4 194 |
| Share issue | 40 | 19 110 | | | 19 150 |
| Other comprehensive income as 31 December 2021 | | | -675 | | -675 |
| Equity as at 31 December 2021 | 540 | 118 037 | -675 | 20 888 | 138 790 |
| As at 1 January 2022 | 540 | 118 037 | -675 | 20 888 | 138 790 |
| Adjusted on correction of error | | | | 84 | 84 |
| As at 1 January 2022 (restated) | 540 | 118 037 | -675 | 20 972 | 138 874 |
| Profit/loss as at 31 December 2022 | | | | 9 409 | 9 409 |
| Other comprehensive income as at 31 December 2022: Translation difference | | | -1 470 | | -1 470 |
| Equity as at 31 December 2022 | 540 | 118 037 | -2 145 | 30 380 | 146 812 |

Condensed consolidated statement of cashflows.

| TSEK | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|
| Operating profit/loss | 3 586 | 1 284 | 12 383 | 5 202 |
| Adjustments for depreciation, amortisation and other non-cash items: | 3 612 | 2 349 | 7 775 | 8 905 |
| Changes in working capital | 4 844 | 3 923 | -4 951 | 11 932 |
| Net cash flow from operating activities | 12 042 | 7 557 | 15 331 | 26 039 |
| Acquisition of subsidiary company, net of cash acquired | | 518 | | -15 685 |
| Payment of Acquisition of subsidiary company | -1 161 | -1 478 | -5 233 | -5 916 |
| Investments in assets | -2 840 | -4 411 | -13 423 | -11 832 |
| Net cash flows from investing activities | -4 001 | -5 370 | -18 656 | -34 051 |
| Debt incurred | 5 269 | -991 | 5 269 | 0 |
| Amortisation of bank loan | -856 | 1 125 | -1 981 | -1 724 |
| Amortisation of leasing | -564 | 1 531 | -3 106 | -2 394 |
| Change in bank overdraft | -5 278 | -3 214 | 9 037 | -9 159 |
| Share issue | | -850 | | 19 150 |
| Net cash flow from financing activities | -1 429 | -2 399 | 9 219 | 5 873 |
| Net cash flow | 6 611 | -213 | 5 894 | -2 139 |
| Cash and cash equivalents at beginning of period | 3 266 | 4 195 | 3 983 | 6 122 |
| Cash and cash equivalents at end of period | 9 877 | 3 983 | 9 877 | 9 383 |

Condensed income statement of parent company.

| TSEK | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|--|-----------------|-----------------|-----------------|-----------------|
| Net sales | | | | |
| Intercompany revenue | 4 500 | 1 700 | 9 908 | 4 923 |
| Other revenues | | | 26 | |
| Total | 4 500 | 1 700 | 9 934 | 4 923 |
| Other external expenses | -980 | -52 | -2 357 | -3 554 |
| Personnel costs | -2 817 | -2 413 | -9 698 | -2 960 |
| Total Costs | -3 797 | -2 465 | -12 055 | -6 514 |
| Operating profit/loss | 704 | -765 | -2 119 | -1 591 |
| Net financial items | -676 | 25 | -213 | 249 |
| Profit loss after financial items | 28 | -740 | -2 332 | -1 341 |
| Appropriations | 2 377 | 2 166 | 2 377 | 2 166 |
| Taxes for the period | -507 | -132 | -21 | -8 |
| Net profit/loss for the period | 1 898 | 1 294 | 24 | 816 |

Condensed balance sheet of parent company.

| TSEK | 2022 December | 2021 December |
|-------------------------------------|------------------|------------------|
| ASSETS | | |
| Current assets | 325 | |
| Non-current assets | 88 931 | 80 346 |
| Other receivables | 23 647 | 39 575 |
| Prepaid expenses | 2 398 | 763 |
| Cash and cash equivalents | 760 | 837 |
| TOTAL ASSETS | 115 592 | 121 521 |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Restricted equity | 540 | 540 |
| Unrestricted equity | 91 317 | 91 292 |
| Total equity | 91 857 | 91 832 |
| Non-current liabilities | 7 231 | 13 011 |
| Current liabilities | 16 505 | 16 678 |
| TOTAL EQUITY AND LIABILITIES | 115 592 | 121 521 |

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 30 June 2022 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 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 | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|
| TSEK | | | | |
| Manufacturing revenue | 16 341 | 9 168 | 46 579 | 35 581 |
| Contract Manufacturing rev. | 383 | 7 233 | 3 305 | 31 248 |
| Contract Service revenues | 11 581 | 11 585 | 37 806 | 35 064 |
| DSM License revenues | 12 922 | 2 470 | 38 960 | 16 694 |
| DSM | 4 690 | 5 536 | 19 027 | 15 725 |
| Eliminations | -600 | | -2 847 | -2 167 |
| Total | 45 917 | 35 992 | 145 677 | 132 145 |

| | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|----------------------------|-----------------|-----------------|-----------------|-----------------|
| By company | | | | |
| TSEK | | | | |
| Magle Chemoswed AB | 41 910 | 30 917 | 131 621 | 119 134 |
| Magle Chemoswed Holding AB | 2 250 | | 9 908 | |
| Adroit Science AB | 1 258 | 766 | 3 367 | 2 493 |
| PharmaCept GmbH | 4 592 | 4 309 | 16 888 | 10 518 |
| Eliminations | -6 343 | | -16 107 | |
| Total | 45 917 | 35 992 | 145 677 | 132 145 |

| | 2022 Oct-Dec | 2021 Oct-Dec | 2022 Jan-Dec | 2021 Jan-Dec |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| By country | | | | |
| TSEK | | | | |
| Sweden | 3 873 | 10 984 | 19 484 | 39 008 |
| Europe excluding Sweden | 7 023 | 11 343 | 55 439 | 14 473 |
| Other territories | 35 621 | 13 666 | 73 601 | 80 831 |
| Intercompany sales | -600 | | -2 847 | -2 167 |
| Total | 45 917 | 35 992 | 145 677 | 132 145 |

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 |

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.

| | 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: Restatement

Correction of purchase price allocation of the PharmaCept acquisition from June 2021 of deferred tax liability on identifiable intangible assets; trademark and customer relations. The impact on the balance sheet is an increase of goodwill with 6.4 MSEK, equity with 83 TSEK, the deferred tax liability amounted to 6.3 MSEK. The impact on equity is due to deferred tax income on the amortization of customer relations during June-December 2021. The correction includes the capitalization from January to March 2022 of work performed by the company for its own use and subsequently capitalized under the mandatory IFRS requirements. The capitalization relates to activities that should have been capitalized in Q1 2022, with an amount of 1.2 MSEK, leading to an increased profit for the previously reported period January-March. The adjustments increase the balance sheet January to March 2022 on intangible assets and equity with 1.2 MSEK on each line.

The balance sheet and income statement for the affected periods have therefore been restated.

Board of directors.



Hans Henrik Lidgard
Founder and Chairman

Born 1946. Chairman since 2016,
board member since 2013.



Mats Pettersson
Board Member

Born 1945. Board member since
2016.



Sven-Christer Nilsson
Board Member

Born 1944. Board member since
2016.



Martin Lidgard
Board Member

Born 1977. Board member since
2021.



Malin Malmsjö
Board Member

Born 1973. Board member since
2016.



Joel Eklund
Board Member

Born 1980. Board member since
2020.



Claudia Lindwall
Staff Representative

Born 1963. Employee representative
since 2021.



Ingela Fritzon
Staff Representative

Born 1964. Employee representative
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. The Company's auditors have reviewed this Year-End Report.

FORTHCOMING DISCLOSURES OF INFORMATION

| FINANCIAL CALENDAR | DATE |
|-------------------------------|---------------------|
| ANNUAL REPORT 2022 | 29TH MARCH, 2023 |
| INTERIM REPORT Q1 2023 | 19TH APRIL, 2023 |
| ANNUAL GENERAL MEETING 2023 | 26TH APRIL, 2023 |
| INTERIM REPORT Q2 2023 | 18TH JULY, 2023 |
| INTERIM REPORT Q3 2023 | 25TH OCTOBER, 2023 |
| FULL YEAR AND Q4 2023 RESULTS | 16TH FEBRUARY, 2024 |

CONTACT INFORMATION

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Vator Securities is the Company's certified advisor on Nasdaq First North Growth Market and can be reached at ca@vatorsec.se or +46 (0) 8 5800 6599.