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Magle Group resolves on a conditional directed share issue of up to approximately SEK 26.6 million

The Board of Directors of Magle Chemoswed Holding AB (publ) ("Magle Group" or the "Company") has resolved to carry out a directed share issue of up to 887,333 shares at a subscription price of SEK 30.00 per share (the "Directed Share Issue"), corresponding to proceeds of approximately SEK 26.6 million before deduction of costs related to the transaction. The subscription price corresponds to the subscription price in the ongoing rights issue and has been determined by the Board of Directors of the Company based on arm's length negotiations. The subscribers in the Directed Share Issue are Stig Løkke Pedersen, Hans Henrik Lidgard (privately and/or through companies), Chairman of the Board of Directors, and Mats Pettersson, member of the Board of Directors. Stig Løkke Pedersen is intended to be proposed for election to the Board of Directors of Magle Group. The Directed Share Issue is conditional upon the subsequent approval by the extraordinary general meeting. Notice of the extraordinary general meeting, which is intended to be held on 30 December 2024, will be announced through a separate press release. The proceeds from the Directed Share Issue are intended to be used to advance key projects that reinforce Magle Group's position in innovative medical solutions and support the group's ongoing structural and organisational changes following the recent mergers. These initiatives include (i) commencing the Genicular Artery Embolisation (GAE) study with EmboCept® S, (ii) advancing the SmartPAN® clinical study and (iii) undertaking biocompatibility testing for MicroSeal. In connection with the Directed Share Issue, the Company will prepare a prospectus supplement to the prospectus prepared in connection with the rights issue resolved upon by the Board of Directors on 22 November 2024 (the "Rights Issue").

Hans Henrik Lidgard, Chairman of the Board of Directors, comments: *"This directed share issue represents a significant step forward for Magle Group as we align our resources with our strategic vision. The capital raised will empower us to advance critical clinical studies, strengthen our product portfolio, and position Magle Group for long-term success. We are especially pleased to propose Stig Løkke Pedersen as a new Board member, bringing invaluable expertise to guide the Group's growth."*

Justin Pierce, CEO, adds: *"The initiatives supported by this capital raise—from advancing EmboCept® S and SmartPAN® studies to the development of MicroSeal—underline our commitment to delivering groundbreaking solutions that transform patient care. These projects, combined with our continued focus on organisational excellence, mark an exciting chapter for Magle Group as we solidify our position in medical innovation."*

The Directed Share Issue

The Board of Directors of Magle Group has today resolved, subject to the subsequent approval of the extraordinary general meeting, to carry out a new share issue of up to 887,333 shares with deviation from the existing shareholders' preferential rights at a subscription price of SEK 30.00 per share, corresponding to the subscription price in the Rights Issue. The subscribers in the Directed Share Issue are Stig Løkke Pedersen, Hans Henrik Lidgard (privately and/or through companies), chairman of the Board of Directors of Magle Group, and Mats Pettersson, board member of Magle Group. Stig Løkke Pedersen is intended to be proposed for election to the Board of Directors of Magle Group. The reason for including existing shareholders among those entitled to subscribe in the Directed Share Issue is that these owners have expressed and shown a long-term interest in the Company, which according to the Board of Directors creates security, stability and favourable conditions for the Company's growth and is thus considered to be beneficial to both the Company and all shareholders. The allocation and outcome of the Directed Share Issue is planned to be announced after the extraordinary general meeting on 30 December 2024. The shares subscribed for in the Directed Share Issue do not entitle to participation in the Rights Issue.

The subscription price in the Directed Share Issue implies a discount of approximately 9.5 percent based on the volume weighted average price (VWAP) during the last 10 trading days on Nasdaq First North Growth Market and a discount of approximately 8.5 percent in relation to the closing price of the Company's share on Nasdaq First North Growth Market on 12 December 2024.

The subscription price in the Directed Share Issue has been determined by the Board of Directors, in consultation with Vator Securities AB, through arm's length negotiations, whereby the Board of Directors has taken into account several factors such as the market situation, the Company's financing needs, alternative cost of other financing, customary discount for directed issues and assessed market interest for an investment in the Company. It is the Board's assessment, based on the above factors, that the subscription price reflects current market conditions and current demand. Against this background, the Board of Directors considers the subscription price to be on market terms.

The proceeds from the Directed Share Issue are intended to be used to advance key projects that reinforce Magle Group's position in innovative medical solutions and support the group's ongoing structural and organisational changes following recent mergers. These initiatives include:

- **Commencing the Genicular Artery Embolisation (GAE) study with EmboCept® S.** A multi-centre clinical study with key opinion leader support. GAE is a minimally invasive procedure designed to treat osteoarthritis-related knee pain by reducing blood flow to the genicular arteries, which are involved in inflammation and pain pathways. The study intends to validate the efficacy and safety of EmboCept® S in this application, broadening its clinical utility.
- **Advancing the SmartPAN® clinical study.** A first-in-class solution aimed at enhancing pancreatic surgery outcomes. SmartPAN® is a DSM-based bioindicator used to detect anastomotic leaks during pancreatic surgery. The study is supported by a leading pancreatic surgical centre and a network of key opinion leaders, further solidifying its position as a pioneering product. This initiative will build on the successful market openings in Germany, Austria, Greece, and Singapore and generate critical clinical evidence to support a future market entry into the United States.

- **Undertaking biocompatibility testing for MicroSeal.** A dextran-based surgical product designed for advanced surgical applications. The testing will explore three distinct formulations of MicroSeal, each tailored for use in different surgical scenarios. This innovative approach emphasizes the product's biocompatibility and biodegradability, ensuring it meets the highest standards for patient safety and environmental sustainability. By offering versatile formulations, MicroSeal aims to address diverse surgical needs while maintaining its bio-friendly profile.

Considerations by the Board of Directors

Prior to the decision on the Directed Share Issue, the Board of Directors carefully considered alternative financing routes, including the conditions for carrying out an additional new share issue with preferential rights for the Company's existing shareholders. The Board of Directors is aware that cash issues should, as a main rule, be carried out in accordance with the shareholders' preferential rights and has taken into account the rules issued by the Stock Market Self-Regulation Committee (ASK) in July 2023. ASK's rules state that it may normally be considered acceptable for new issues to be carried out with deviation from the shareholders' preferential rights if it, based on the circumstances on objective grounds, can be considered to be in the shareholders' interest to deviate from the preferential rights. After an overall assessment of Magle Group's financial situation and need for cash resources, it is the Board of Directors' assessment that, on objective grounds, it may be considered to be in the interest of the current shareholders to carry out the Directed Share Issue in accordance with the presented terms and conditions, which the Board of Directors considers to be balanced and market-based. The considerations of the Board of Directors are detailed below.

- After the Rights Issue was resolved upon, the Board of Directors has recognized that a couple of projects in the business, which are discussed and considered important in relation to potential customers and other stakeholders, require additional cash in the near future. The Rights Issue, with a different purpose and intended use of proceeds, is not deemed able to satisfy such financing needs. In considering whether to carry out a new rights issue once the Rights Issue is completed, the Board of Directors is of the opinion that the Directed Share Issue satisfies these financing needs in a more efficient manner than an additional rights issue could do, where such a rights issue would be significantly more time and resource consuming compared to the Directed Share Issue.
- Unlike a rights issue, the Directed Share Issue is also expected to strengthen the shareholder base with an important strategic investor. The Board of Directors' assessment is that Stig Løkke Pedersen's investment and involvement in the Company as a board member will strengthen the Company's ownership structure and corporate governance and that this will benefit the Company's existing shareholders.

In light of the above, the Board of Directors has made the assessment that a directed share issue on the current terms is a better alternative for the current shareholders than carrying out a rights issue. The Board of Directors' overall assessment is thus that the stated reasons for the Directed Share Issue outweigh the reasons for a rights issue and that the Directed Share Issue is in the interest of the Company and its shareholders.

Change in share capital, number of shares and votes and dilution

The Directed Share Issue will increase the Company's share capital by a maximum of SEK 44,366.65 from SEK 920,095.85 to SEK 964,462.50 (based on the Company's registered share capital). The total number of shares and votes will increase by a maximum of 887,333 from 18,401,917 to 19,289,250 shares and votes (based on the Company's registered number of shares and votes). The completion of the Directed Share Issue entails a dilution of approximately 4.6 percent for existing shareholders in relation to the total number of outstanding shares and votes in the Company.

Extraordinary general meeting

Since the subscribers in the Directed Share Issue are covered by Chapter 16 in the Swedish Companies Act, the Directed Share Issue is conditional upon the extraordinary general meeting's subsequent approval. A valid resolution at the extraordinary general meeting requires that the resolution is supported by shareholders representing at least nine tenths of the votes cast as well as of the shares represented at the general meeting.

The shareholder PRS1 ApS has proposed that Stig Løkke Pedersen is elected to as a new board member in Magle Group at the extraordinary general meeting. The notice to the extraordinary general meeting, which is intended to be held on 30 December 2024, will be announced through a separate press release.

Supplementary prospectus

The Company will publish a supplement to the prospectus regarding the Rights Issue. Investors who, prior to the publication of the supplementary prospectus, have applied or otherwise consented to subscribe for shares in the Rights Issue have, pursuant to Article 23(2) of Regulation (EU) 2017/1129 of the European Parliament and of the Council, the right to withdraw their application within two working days from the publication of the supplementary prospectus.

Advisors

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

For enquiries, please contact:

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About Magle Group

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 three operational areas. Magle Chemoswed – a contract development and manufacturing organization (CDMO) with a strong reputation for its high-quality development and manufacturing expertise, Magle PharmaCept – an established sales and marketing company for development and direct sales of the Group's medical technology products and Magle Biopolymers A/S – a specialized manufacturing organization of Dextran technology. Learn more on www.maglechemoswed.com, www.maglegroup.com, www.maglepharmaceut.com and www.maglebiopolymers.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.

IMPORTANT INFORMATION

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This announcement is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. A prospectus will not be prepared in connection with the Directed Share Issue. This press release does not identify or purport to identify risks (direct or indirect) that may be associated with an investment in the Company. The information in this press release is only intended to describe the background to the Directed Share Issue and does not claim to be complete or exhaustive.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, South Africa, South Korea or any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable law or where such action is subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

Forward-looking statements

This press release may contain certain forward-looking information that reflects Magle Group's current view of future events and financial and operational development. Words such as "intends", "will", "believes", "expects", "may", "plans", "estimates" and other expressions indicating or predicting future developments or trends constitute forward-looking information. By its nature, forward-looking information involves known and unknown risks and uncertainties because it is dependent on future events and circumstances. Forward-looking information is not a guarantee of future results or developments and actual outcomes may differ materially from those expressed in forward-looking information.

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding 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 do not relate to historical facts and can be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialize or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes may differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements in this press release. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct and any reader of the press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements expressed or implied herein speak only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revisions to any forward-looking statement to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required by law or the Nasdaq First North Growth Market's Rulebook for Issuers.

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

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 2024-12-12 22:00 CET.

Attachments

[Magle Group resolves on a conditional directed share issue of up to approximately SEK 26.6 million](#)