

Emplicure carries out a directed issue of new shares of 25.0 MSEK

The board of directors of Emplicure AB (publ) ("Emplicure" or the "Company") has today, as authorised by the general meeting on 2 May 2023, resolved on a directed issue of 50,000,000 new shares through which the Company receives 25,000,000 SEK before issue costs (the "Directed Issue"). The right to subscribe for shares in the Directed Issue shall, with deviation from the shareholders pre-emption rights, belong to TomEQT Private AB (the "Investor"). The subscription price in the Directed Issue is 0.50 SEK per share and has been determined after negotiations with the Investor. The reason for the deviation from the shareholders' pre-emption rights is that the board of directors, in an overall assessment and after careful consideration, considers that a directed issue to the Investor is the preferred alternative to meet the Company's capital needs and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue. The board of directors has carefully considered the possibility of carrying out a rights issue to raise the required capital but deemed that it would be more time-consuming and entail significantly higher costs and an increased market risk exposure. Through the Directed Issue, the Investor will reach a shareholding of approximately 50.6 percent of the outstanding shares and votes in the Company entailing that the mandatory bid threshold will be exceeded. The Investor has notified the board of directors that the Investor intends to fulfil its mandatory bid obligation and make a public takeover offer regarding the remaining shares in the Company.

Background and motive

The assessment of the board of directors is that the Company will need additional financing to implement the activities that are included in the Company's business plan in the following twelve months. The Company's capital need is estimated to approximately 15–25 million SEK. The reason for the deviation from the shareholders' pre-emption rights is that the board of directors, in an overall assessment and after careful consideration, considers that a directed issue to the Investor is the preferred alternative to meet the Company's capital needs and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Issue.

TomEQT Private AB invests in the private and public sphere, both as minority and majority owners. Investments are made primarily in Swedish companies within energy, medtech and in businesses with a focus on innovation and transformation. TomEQT Private AB invests in and supports companies in different stages of development through a combination of capital and expertise.

The board of directors has carefully considered the possibility of carrying out a rights issue to raise the required capital. The board of directors has considered the uncertain situation on the financial markets and, in particular, the difficulties for companies in the Company's industry and development phase to obtain financing under the current circumstances. The board of directors considers that it would be necessary to obtain significant guarantee commitments from a consortium of guarantors to ensure that the Company receives the necessary financing in a rights issue. The procurement of a consortium of guarantors entails significant costs and/or additional dilution depending on the type of consideration paid for such guarantee commitments. There is also a risk that a consortium of guarantors, given the prevailing market situation and the Company's financial position, cannot be procured on terms that are acceptable to the Company. The implementation of a rights issue is also associated with additional costs relating to, among other things, the preparation of a prospectus and higher advisor costs, and the board of directors' assessment is that the total transaction costs in the event of a rights issue



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would constitute a significant part of the proceeds from the share issue. The board of directors has also considered that a rights issue would be significantly more time-consuming and entails increased market risk exposure compared to a directed issue.

The Directed Issue is carried out at a subscription price that exceeds both the closing price on 05/23/2023 and the volume-weighted average price during the period 05/09/2023 – 05/23/2023. The board of directors' assessment is that the Directed Issue can be carried out on more favorable terms for the Company compared to a rights issue where the subscription price would probably require a significant discount in relation to the share price. The Directed Issue can also be carried out at a significantly lower cost compared to a rights issue, which means that the Company can benefit from a larger part of the issue proceeds. The board of directors has also placed great emphasis on that the Directed Issue entails that the Company will have a new strategically important, financially strong, and long-term shareholder who is willing to participate in the Company's future development and financing, which the board of directors considers to be positive for the Company and the shareholders.

Considering the above, the board of director's assessment is that the Directed Issue is the preferred alternative to meet the Company's capital needs and that it is objectively in the interest of both the Company and its shareholders to carry out the directed issue. The board of directors therefore considers that the above-mentioned reasons outweigh the main rule that new issues shall be carried out with pre-emption rights for the existing shareholders.

The board member Johan Wieslander has not participated in the preparations of or the board of directors' resolution on the Directed Issue with reference to that family members of Johan Wieslander and the owner of the Investor, respectively, have a private friendship relation.

Terms for the Directed Issue

The following main terms apply for the Directed Issue:

- The right to subscribe for new shares shall, with deviation from the shareholders pre-emption rights, belong to the Investor.
- The new shares are issued at a subscription price of 0.50 SEK per share. The subscription price has been determined after negotiations with the Investor. The subscription price exceeds the closing price on 05/23/2023 with 19 percent and the volume-weighted average price during the period 05/09/2023 – 05/23/2023 with 27 percent. The board of directors' assessment is therefore that the subscription price has been set on market terms and reflects the current demand and market conditions.
- Subscription shall be made on a subscription list not later than May 31, 2023. The board of directors shall have the right to extend the subscription period.
- Payment for new shares shall be made not later than May 31, 2023 through payment in cash. The board of directors shall have the right to extend the payment period.
- The new shares entitle to dividends for the first time on the first record date for dividend that take place after the issue of new shares has been registered with the Swedish Companies Registration Office and been recorded in the share register kept by Euroclear Sweden AB.
- The managing director, or any other person appointed by the board of directors, shall have the right to take those smaller measures that may be required in order to register the resolution with the Swedish Companies Registration Office and Euroclear Sweden AB.

Dilution

Through the share issue, the number of outstanding shares and votes will increase with 50,000,000 from 48,863,256 to 98,863,256. The share capital will increase with 2,500,000 SEK, from 2,443,162.80 SEK to 4,943,162.78 SEK. The issue of new shares will result in a dilution effect for existing shareholders of approximately 50.6 percent of the numbers of shares and votes in the Company.



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Mandatory bid

Through the Directed Issue, the Investor will acquire 50,000,000 shares in the Company to a subscription price of 0.50 SEK per share. Through the acquisition, the Investor will thus reach a shareholding of 50,000,000 shares in the Company, corresponding a shareholding of 50.6 percent of the outstanding shares and votes in the Company.

Through the Directed Issue, the mandatory bid threshold is exceeded, entailing that the Investor is required to disclose a mandatory public takeover offer regarding the remaining shares in Emplicure within four weeks from the acquisition, alternatively within the same time period sell shares so that the Investor's shareholding represents less than 30 percent of the votes in the Company. The Investor has notified the board of directors that the Investor intends to fulfil its mandatory bid obligation and make a public takeover offer regarding the remaining shares in the Company, which in that case will be disclosed through a separate press release from the Investor.

The board of directors will evaluate a potential mandatory takeover offer and disclose a statement regarding the offer in accordance with the Swedish Stock Market Self-Regulation Committee's Takeover-rules for some trading platforms. The board member Johan Wieslander will not participate in the preparations of or the resolution on questions related to a potential mandatory takeover offer with reference to that family members of Johan Wieslander and the owner of the Investor, respectively, have a private friendship relation.

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This information is information that Emplicure AB (publ) is required to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons above, on May 24, 2023 at 08:07 CET.

Certified Adviser

Emplicure's Certified Adviser is Erik Penser Bank.