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## **PMDS intends to carry out a rights issue of approximately SEK 27.5 million, and gives market update regarding business model**

The board of directors of PMD Device Solutions AB ("PMDS" or the "Company"), under the issue authorisation proposed to the annual general meeting on June 28 2024, intends to resolve on an issue of not more than 6,254,559 new shares with preferential rights for the Company's existing shareholders (the "Rights Issue")

The board of directors of PMD Device Solutions AB ("PMDS" or the "Company"), under the issue authorisation proposed to the annual general meeting on June 28 2024, intends to resolve on an issue of not more than 6,254,559 new shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). The subscription period for the Rights Issue runs, indicatively, between August 19 – September 2 2024. The purpose of the planned Rights Issue is to accelerate both PMDS' UK and US business and support balance sheets improvements. The Company has received underwriting commitments from a consortium of external investors led by Life Science Invest Fund 1 ApS amounting to a total of approximately SEK 22.0 million, corresponding to 80 percent of the Rights Issue. The board of directors intention to resolve on the Rights Issue is conditional upon the annual general meeting deciding on the proposed issue authorisation. The Company also provides a market update with the decision to accelerate both its UK and US business, with the evolution of the business model to include Hospital At Home, and the recent acquisition of the US Remote Patient Monitoring business.

### **Summary**

- The board of directors announces today the intention to resolve on the Rights Issue. The board of directors decision is planned to take place on or around July 5 2024, provided that the annual general meeting on 28 June 2024 votes in favour of the proposed issue authorisation. The board of directors' decision, including all material terms for the Rights Issue, will be announced through a separate press release immediately following the board of directors' decision.
- 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, which is estimated to be around 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 ensure the Company's liquidity needs 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 intends to prepare an information memorandum regarding the Rights Issue, which is expected to be published around August 16 2024 (the "Information Memorandum").

Jan Poulsen, CEO of Life Science Invest fund 1 (LSIF) says:

***"At LSIF we are very pleased to play an important role in this financing round in PMD Device Solutions. With RespiraSense we have seen PMDS quickly become the market leader in Ireland and thereby validating the product and value proposition. We believe PMDS is well underway to get traction in the UK and US markets, which will take PMDS to the next level and hopefully make this round the final round towards becoming cash flow positive."***

#### **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.

#### **Updating ARR Financial Target**

PMDS has evaluated its US business and the progress with the UK accounts. With these evaluations, PMDS anticipates to enhance the Annual Recurring Revenue (ARR) financial target for YE 2026. This revised target will be announced before the end of Q2 2024 via a separate press release.

#### **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

### **Indicative terms of the Rights Issue**

The board of directors intends to resolve on the Rights Issue on the following indicative terms:

- Those who are registered as shareholders on the record date, which is estimated to be around August 15, 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 if 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.

### **Information memorandum**

Provided that the Rights Issue is resolved on by the board of directors, the Company will publish an information memorandum containing complete terms and conditions for the Rights Issue and other information about the Company.

### **Indicative timetable, all dates referring to 2024**

Around July 5	Resolution on the Rights Issue and announcement of final terms of the Rights Issue.
Around August 13	Last day of trading of shares in PMDS including the right to receive subscription rights.
Around August 14	First day of trading of shares in PMDS excluding the right to receive subscription rights.
Around 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.
Around August 16	The information memorandum with regards to the Rights Issue is expected to be published.
Around August 19 – August 28	Trading with subscription rights on Nasdaq First North Growth Market.
Around 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**

In order to secure the Company's liquidity needs 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. The loans will be paid to the Company in June and July 2024 and as compensation for the loans, a commitment fee of 5.00 percent and an interest of 2.00 percent per month or part thereof. 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.

### **Market update regarding business model**

PMDS is evolving into a Digital Health company who delivers integrated care models of patient monitoring from hospital to the home setting for both Respiratory and Cardiology patients. Transforming the outcomes of patients by early warning of deterioration. Resulting in reduced length of stay and readmissions for the provider. This broadened focus has doubled its serviceable market by including patients living with heart failure, in addition to the core business of respiratory compromise conditions such as COPD and Pneumonia. PMDS can now deliver value across the continuum of care for over 30% of healthcare's system's patient activity, with significant short term return on investment and improved operational performance.

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 accelerate both its UK and US businesses with a Rights Issue of up to 27.5 MSEK. 80 percent of the Rights Issue has been underwritten, in addition to realising 12 MSEK as a Bridge Loan.

#### **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.

#### **For further information, please contact:**

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#### **About PMD Device Solutions AB**

PMD Device Solutions AB develops and sells medical products for respiratory monitoring in both the hospital and homecare setting. 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).

This information is such that PMD Device Solutions AB is required to make public in accordance with the EU's Market Abuse Regulation (MAR). The information was made public by the Company's contact person above on June 11th at 0800 CET.

#### **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 members 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.

*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 2024-06-11 08:30 CEST.*

#### **For additional information, please contact**

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The Company's Certified Adviser is Redeye.

#### **Information about PMDS**

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PMD Device Solutions AB develops and sells medical products for respiratory monitoring in both the hospital and homecare setting. 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).



**PRESS RELEASE**  
11 June 2024 08:30:00 CEST

## Attachments

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