

# **S2Medical AB (publ) resolves on a rights issue of units of approximately 30,1 MSEK guaranteed up to 70 percent**

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**The Board of Directors of S2Medical AB (publ) ("S2Medical" or the "Company") has today, subject to the shareholders' subsequent approval, decided to carry out of an issue of units consisting of shares and warrants with preferential rights for existing shareholders of approximately SEK 30,1 million (the "Rights Issue"). The Rights Issue is guaranteed up to approximately 70 percent through subscription commitments and guarantee undertakings. The Rights Issue is carried out with the aim of enabling continued development of the Company's product portfolio and executing the Company's expansion plans. Notice to an extraordinary general meeting in order to resolve on approving the Rights Issue will be announced through a separate press release.**

## **Summary of the terms**

- Rights issue of a maximum of 15,052,083 units (15,052,083 B shares and 15,052,083 warrants of series TO1) corresponding to, upon full subscription, total proceeds of approximately SEK 30.1 million before issue costs.
- Subscription commitments of approximately SEK 2.1 million in total have been received from the Company's largest shareholder SivlerSkog Group AB, which is owned by the founders Petter Siviér and Mårten Skog, as well as the Company's chairman of the board Fredrik Skog and several other existing shareholders. Guarantee undertakings of approximately SEK 19.0 million, up to a total of approximately SEK 21.1 million in the Rights Issue, have been received from a number of external investors. The rights issue is thus guaranteed up to 70 percent through subscription commitments and guarantee undertakings.
- For each existing share held on the record date, one (1) unit right is received in the Rights Issue. Holding of one (1) unit right entitles to subscribe for one (1) new unit. One unit (1) consists of one (1) B-share and one (1) warrant of series TO1.
- Subscription price of SEK 2.00 per unit (SEK 2.00 per share). The warrants are issued free of charge.
- The record date for the Rights Issue is 20 April 2022 with the last day for trading including the right to receive unit rights on 14 April 2022 and the first day for trading excluding the right to receive unit rights on 19 April 2022.
- The subscription period for the Rights Issue is expected to begin on 22 April 2022 and end on 6 May 2022. Trading in unit rights will take place on the Nasdaq First North Growth Market between 22 April 2022 and 2 May 2022.
- The subscription price for subscription of Class B shares by exercising warrants of series TO1 shall correspond to 70 percent of the volume-weighted average price paid for the Company's shares on the Nasdaq First North Growth Market during the period from and including 22 August 2022 up to and including 30 September 2022, however not lower than the quota value of the share.
- The exercise period for warrants of series TO1 runs from 6 October 2022 to 20 October 2022.

## **CEO Petter Sivlér, comments**

*"The proceeds from the Rights Issue will enable us to continue to focus on growth in sales of our regular wound healing products and a continued development of our product portfolio. On a full-year basis, sales of regular wound healing products have increased by approximately 261 percent between 2021 and 2020 and approximately 48 percent between 2021 and 2019, the last full year before the Covid-19 pandemic. We strongly believe that this growth will continue during the current year, with larger call-offs from customers in both the Middle East and Sweden during the first quarter, as well as interest from new potential customers in the Middle East and the Company's other markets. Furthermore, we see great value in the antimicrobial peptides acquired at the end of 2021, with several potential application areas within the Company's product portfolio but also opportunities for collaborations with external players. S2Medical will always be first in line to change wound care to wound healing and we now welcome our existing shareholders to take part in our continued journey forward to becoming the leading global company in wound healing."*

## **Background and motives**

S2Medical is a company founded in 2013 based out of Linköping which develops and sells wound healing products with a focus on burn wounds and chronic wounds. The company has a vision to offer a holistic concept in wound healing, with products in debridement (cleaning of wounds), granulation (construction of blood vessel-rich tissue) and re-epithelialization (outer tissue growth).

The company's product portfolio primarily consists of proprietary products, including the advanced product Epiprotect (with three different product lines launched), ivaQ (which is CE-approved and is planned to be launched in 2022), Instagraft (which is currently in the development phase) and complementary products such as Silverlon and Ynolens. Epiprotect is S2Medical's most proven product, which has been tested on thousands of patients aged 0 to 92 through S2Medical's own clinic S2Clinic as well as other clinics. Epiprotect's establishment both in Scandinavia and the United Arab Emirates paves the way for further strategic investments in nearby markets in Europe and the Middle East, such as the United Kingdom, Germany, Italy and Saudi Arabia. Furthermore, the accumulated knowledge in these established markets simplifies the roll-out of new products within the Company's product portfolio.

In addition to the product portfolio encompassing wound healing products, S2Medical has acquired the company Curenc AB and their rights to the antimicrobial peptides ("**AMP**") that Curenc AB has developed, partly together with S2Medical, during the last 15 years. The Company's research and development is focused on future products intended to supplement and improve S2Medical's portfolio of wound healing products as well as a continued development of the antimicrobial peptides, to enable both its integration into medical devices and the development of drugs.

The company's growth strategy consists of a geographical expansion of already established products, such as Epiprotect, in nearby markets as well as an expansion of products under development in already established markets. To enable this continued growth and development of the Company's product portfolio, the Company has resolved to execute the Rights Issue. The company intends to use the net proceeds from the Rights Issue for sales, marketing, product development and personnel costs as well as the development of the AMP-project.

## **The Rights Issue**

The board of directors of S2Medical has resolved on the Rights Issue, subject to the subsequent approval from an extraordinary general meeting in the Company, in accordance with the following principal terms:

- The Company will issue up to 15,052,083 units (maximum 15,052,083 B-shares) at a subscription price of SEK 2.00 per unit, corresponding to SEK 2.00 per share. The warrants are issued free of charge.
- The right to subscribe for units with preferential rights shall befall those that on the record date for the Rights Issue are registered as shareholders, upon where a shareholder will receive one (1) unit right for each (1) share held. One (1) unit right entitles to the subscription of one (1) new unit. The record day with Euroclear Sweden AB for the right to receive unit rights is the 20 April 2022.

- The subscription period for the Rights Issue will run from and including 22 April 2022 up until and including 6 May 2022. The Board of Directors have the right to extend the subscription period.
- Through the Rights Issue, the share capital may increase by a maximum of SEK 881,682.474881 from SEK 881,682.474881 to SEK 1,763,364.949762 and the number of shares may increase by a maximum of 15,052,083 shares from 15,052,083 shares to 30,104,166 shares, corresponding to a dilution of approximately 50 percent of the total number of shares in the Company. Upon full exercise of the warrants, the share capital may increase by a maximum of SEK 881,682.474881 from SEK 1,763,364.949762 to SEK 2,645,047.424643 and the number of shares can increase by a maximum of 15,052,083 shares from 30,104,166 shares to 45,156,249 shares. Upon full subscription and full exercise of all warrants in the Rights Issue, the dilution amounts to approximately 66.67 percent of the total number of shares in the Company.
- Trading in unit rights will take place on the Nasdaq First North Growth Market between 22 April 2022 and 2 May 2022.
- If not all units are subscribed for by exercise of unit rights, the Board shall, within the framework of the highest amount of the unit issue, resolve on the allocation of the units subscribed without the use of unit rights. Allocation shall then take place in the following order:
  1. Firstly, allotment shall be made to those who have also subscribed for units with the support of unit rights, regardless of whether the subscriber was a shareholder on the record date or not, and in the event of oversubscription in relation to the number of unit rights each used to subscribe for units and, i to the extent that this cannot be done, by drawing lots.
  2. Secondly, allotment shall be made to others who have subscribed for units without the support of unit rights, and, in the event that they cannot receive full allotment, in proportion to the number of units each registered for subscription and, insofar as this is not can be done, by drawing lots.
  3. Lastly, any remaining units shall be allocated to the guarantors who have entered into guarantees in relation to the size of the respective guarantee undertaking and, insofar as this cannot be done, by drawing lots.
- The subscription price for subscription of Class B shares by exercising warrants of series TO1 shall correspond to 70 percent of the volume-weighted average price paid for the Company's shares on the Nasdaq First North Growth Market during the period from and including 22 August 2022 up to and including 30 September 2022, however not lower than the quota value of the share.
- The exercise period for warrants of series TO1 runs from 6 October 2022 to 20 October 2022.
- Warrants of series TO1 are intended to be admitted to trading on Nasdaq First North Growth Market after final registration of the Rights Issue with the Swedish Companies Registration Office, subject to the conditions for the admission to trading, including distribution, are fulfilled.

### **Subscription commitments and guarantee undertakings**

Subscription commitments of approximately SEK 2.1 million in total have been received from the Company's largest shareholder SivlerSkog Group AB, which is owned by the founders Petter Sivilér and Mårten Skog, as well as the Company's chairman of the board Fredrik Skog and several other existing shareholders. Guarantee undertakings of approximately SEK 19.0 million, up to a total of approximately SEK 21.1 million in the Rights Issue, have been received from a number of external investors. The rights issue is thus guaranteed up to 70 percent through subscription commitments and guarantee undertakings.

No compensation is paid for the subscription commitments. For the guarantee undertakings, a guarantee fee of 15 percent is payable in cash.

### **Lock-up undertakings**

In connection with the Rights Issue, all members of the Company's board of directors and senior management with shareholdings in S2Medical have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell or otherwise transfer their shares without first, in each separate

case, ascertain a written approval from Vator Securities AB. The decision to leave such written approval is decided by Vator Securities AB and the decision is made in each separate case. Agreed approval can depend on both individual and business-related situations. The lock-up period lasts for a period of 180 days from and including the date of expiration of the subscription period in the Rights Issue.

In addition to the above, the major shareholders SivlerSkog Group AB, Arbona AB (publ) and BigState International Investment Ltd have undertaken towards Vator Securities AB not to sell or otherwise transfer the unit rights not used for subscription in the Rights Issue.

## Prospectus

Complete terms and conditions regarding the Rights Issue as well as information on subscription commitments and guarantee undertakings and further information about the Company will be presented in the prospectus which will be published by the Company prior to the commencement of the subscription period.

### Preliminary timetable regarding the Rights Issue

14 April 2022	Extraordinary general meeting to approve the Rights Issue
14 April 2022	Estimated date for publication of the prospectus
14 April 2022	Last day of trading in shares of the company including the right to receive unit rights
19 April 2022	First trading day in the share excluding the right to receive unit rights
20 April 2022	Record date regarding the Rights Issue
22 April – 2 May 2022	Trading in unit rights
22 April – 6 May 2022	Subscription period for the Rights Issue
10 May 2022	Estimated date for publication of the Rights Issue results

## Advisors

Vator Securities AB is the Company's financial advisor and Eversheds Sutherland Advokatbyrå AB is its legal advisor in connection to the Rights Issue. Vator Securities AB also acts as the issuer agent in connection to the Rights Issue.

This disclosure contains information that S2Medical AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 15-03-2022 21:00 CET.

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## About S2Medical

S2Medical AB (publ) is a medical technology company that develops and sells innovative wound healing products for the entire wound healing process, with a focus on burns and chronic wounds. The company has developed eiratex®, a new cellulose-based material for healing severe burns and chronic wounds. The material heals wounds effectively and thereby reduces both suffering for patients and costs for health care.

Share's ticker: S2M

Share's ISIN-code: SE0011725084

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## **FORWARD-LOOKING STATEMENTS**

TO THE EXTENT THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS, SUCH STATEMENTS DO NOT REPRESENT FACTS AND ARE CHARACTERIZED BY WORDS THAT "WILL", "ARE EXPECTED", "BELIEVES", "ESTIMATES", "INTENDS", "ASSUMES" AND SIMILAIR EXPRESSIONS. SUCH STATEMENTS EXPRESS S2MEDICAL'S INTENTIONS, OPINIONS OR CURRENT EXPECTATIONS OR ASSUMPTIONS. SUCH FUTURE STATEMENTS ARE BASED ON CURRENT PLANS, ESTIMATES AND FORECASTS WHICH S2MEDICAL HAS MADE TO THE BEST PERFORMANCE BUT WHICH S2MEDICAL DOES NOT SAY IN THE COMING TOMORROW. FUTURE STATEMENTS ARE COMBINED WITH RISKS AND UNCERTAINTIES THAT ARE DIFFICULT TO PREDICT AND IN GENERAL CANNOT BE AFFECTED BY S2MEDICAL. IT SHOULD BE KEPT IN MIND THAT ACTUAL EVENTS OR OUTCOMES MAY DIFFER SIGNIFICANTLY FROM WHAT IS COVERED BY, OR EXPRESSED FOR, IN SUCH FORWARD-LOOKING STATEMENTS.

## **INFORMATION TO DISTRIBUTORS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in s2medical have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in s2medical may decline and investors could lose all or part of their investment; the shares in s2medical offer no guaranteed income and no capital protection; and an investment in the shares in s2medical is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in s2medical.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in s2medical and determining appropriate distribution channels.