

**Invitation to subscribe for units in  
Polymer Factory prior to planned listing  
on Spotlight Stock Market**



# ABOUT THIS MEMORANDUM

## Definitions

In this memorandum, the following definitions apply, unless stated otherwise: The “Company” or “Polymer Factory” refers to Polymer Factory Sweden AB with organizational number 556695-9531. “Spotlight” refers to Spotlight Stock Market, a secondary name to ATS Finans AB with organizational number 556736-8195.

## Financial advisor, legal adviser and issuing agency

In association with the new share issue as described in this memorandum, Sedermera Fondkommission (“Sedermera”) is the financial advisor and Nordic Issuing is the issuing agency to Polymer Factory. Markets & Corporate Law Nordic AB (“MCL”), a subsidiary of Spotlight Group AB, is the legal adviser. Sedermera is a secondary name of ATS Finans AB, a securities company under the supervision of the Swedish Financial Authority. ATS Finans AB is a subsidiary of Spotlight Group AB, a company listed on Spotlight Stock Market. Sedermera has assisted the Company in the preparation of this memorandum. The Board of Directors is responsible for the content, whereupon Sedermera and ATS Finans AB disclaim all liability in relation to the shareholders in Polymer Factory, as well as for other direct or indirect consequences as a result of investment decisions or other decisions completely or partially based on the information in this memorandum.

## Exemption from prospectus obligation

The Company’s offer is not covered by the Financial Supervisory Authority’s prospectus requirements and has not been reviewed or approved by the Swedish Supervisory Authority.

## The area of distribution for the Memorandum

The shares are not subject to trading or applied in any country other than Sweden and Denmark. The invitation under this memorandum does not apply to persons for whom participation additional prospectuses, registration measures or measures other than those that arise under Swedish law. The memorandum must not be distributed in the United States, Australia, Japan, Canada, New Zealand, South Africa, Hong Kong, Switzerland, Singapore or any other country in which the distribution or this invitation requires further action in accordance with previous statement or is contrary to the rules of such country. Swedish law applies to the memorandum.

## Accessibility of Memorandum

The memorandum is available at Polymer Factory’s office, the Company’s website ([www.polymerfactory.com](http://www.polymerfactory.com)) and on Spotlight Stock Market’s website ([www.spotlightstockmarket.se](http://www.spotlightstockmarket.se)). The memorandum can also be accessed via Sedermera’s website ([www.sedermera.se](http://www.sedermera.se)).

## Statements regarding the environment and the future

Statements in this document regarding the world at large and future expectations reflect the Board’s current views with respect to future events and financial developments. Forward-looking statements express only the assessments and assumptions that have been made by the Board at the date of issue of the memorandum. The reader should be aware that, as for all future assessments, these are associated with uncertainty.

## Auditor review

In addition to what is stated in the audit report and reports incorporated through reference, none of the information in the memorandum has been reviewed by the auditor for the Company.

## References and source referencing

The Board assures that information from references and source references has been correctly reproduced and that – to the extent that the Board is aware and can ensure through comparison with other information published by the party concerned – no information has been omitted in a way that would render the information reproduced incorrect or misleading.

## Spotlight Stock Market

Polymer Factory is approved for listing on Spotlight Stock Market, provided that the Company reaches the lowest limit for the new issue and the required proprietary spread. In addition, the Company is also required to comply with other applicable laws, regulations and recommendations that apply to companies listed on Spotlight Stock Market.

Spotlight Stock Market is a secondary name of ATS Finans AB, a securities company under the supervision of the Swedish Financial Supervisory Authority. ATS Finans AB is a subsidiary of Spotlight Group AB, a company listed on Spotlight Stock Market. Spotlight Stock Market operates a so-called MTF platform. Companies listed on Spotlight Stock Market have committed to follow Spotlight Stock Market’s listing agreement. The agreement aims, among other things, to ensure that shareholders and other players at the market receive accurate, immediate and simultaneous information on all circumstances that may affect the Company’s share price.

Trading on Spotlight takes place in an electronic trading system that is accessible to the banks and members connected to the Nordic Growth Market. The listing agreement and share prices can be found on Spotlight Stock Market’s website ([www.spotlightstockmarket.se](http://www.spotlightstockmarket.se)).

The document has been reviewed by Spotlight in accordance with Spotlight’s regulations. The approval does not constitute a guarantee from Spotlight that the factual information in the memorandum is correct or complete.

## Information from third parties

The memorandum contains information from third parties. The Company confirms that the information from third parties has been reproduced correctly and that as far as the Company is aware and can ascertain from information published by third parties, no facts have been omitted that would make the reproduced information incorrect or misleading.

## Disputes

Disputes due to the content of the memorandum or related legal matters shall be settled in accordance with Swedish law and in Swedish court.

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## CALENDAR

<b>Current financial year:</b>	2021-01-01 – 2021-12-31
<b>Quarterly Report (Q1):</b>	2021-05-25
<b>Annual General Meeting:</b>	2021-06-03
<b>Half-year Report (Q2):</b>	2021-08-25
<b>Quarterly Report (Q3):</b>	2021-11-25
<b>Quarterly Report (Q4):</b>	2022-02-25



## COMPANY INFORMATION

### Company name

Polymer Factory Sweden AB

### Trading ticker

POLYMER

### Residence

Stockholm, Sweden

### Organizational number

556695-9531

### Date of company formation

2005-11-07

### Date of when the company started its operations

2006-01-09

### Country

Sweden

### Legal form

Public limited company

### Legislation

Swedish law

### Company communication

English

### Address

Teknikringen 48,  
114 28 Stockholm, Sweden

### Phone

+46 73-655 46 79

### Website

[www.polymerfactory.com](http://www.polymerfactory.com)

### LEI code

894500K24WYFXG2R9Q63

### CFI code

ESVUFR

### FISN code

POLYMERSWE/SH

### ISIN code

SE0015244470



# DEFINITIONS

<b>2,2 bis (methylol) propionic acid (bis-MPA)</b>	The main chemical building block that makes the Company's dendritic technology
<b>Antimicrobial peptides</b>	Natural or synthetic peptides that inhibit the growth of or kill bacteria
<b>Biodegradable (scaffolds)</b>	A material (scaffold) that is broken down to smaller constituents and then purged by the body
<b>Biosensors</b>	A sensor that detects biological molecules e.g. protein, DNA, RNA etc
<b>Calibration technology</b>	A technology that calibrate an instrument of use
<b>Crosslinked nanoparticles</b>	Particles in the nanometer size that are stable through chemically or physically crosslinks
<b>Dendrimers</b>	Dendrimers, as a sub-class in dendritic macromolecules, are uniform, highly branched and flawless macromolecules
<b>Dendritic macromolecules</b>	Highly branched macromolecules that display multitude of active sites incl. dendrimers, dendrons, hyperbranched polymer and linear-dendritic polymers
<b>Dendritic materials</b>	A dendritic material is another definition of a dendritic macromolecule
<b>Dendritic nanotechnology</b>	A technology that utilizes nano-sized dendritic macromolecules
<b>Dendrons</b>	Dendrons, as a sub-class in dendritic macromolecules, are highly branched and flawless macromolecules with the ability to perform two different task e.g. attach to and display-off
<b>Desorption/ionization instruments</b>	An instrument that desorpe/ionize a material to then analyze their size
<b>Electrospray ionization (ESI)</b>	A technique that ionizes a material for detection purpose
<b>EU FP7 program</b>	A EU program that funds innovative consortium projects
<b>Flawless</b>	A molecule that has a known mass and structure i.e. no defects
<b>Fluorescent dyes (colorants)</b>	A dye that allows the detection using fluorescent microscope e.g. a drug's path in a tissue or cell
<b>FORMAMP-consortium</b>	A large FP7 funded consortium that focused on the formulation of antimicrobial peptides
<b>Highly branched macromolecules</b>	Dendrimers, dendrons, hyperbranched polymer and linear-dendritic polymers
<b>Hyperbranched polyesters</b>	A highly branched macromolecule that is structurally not as perfect as a dendrimer

<b>Hyperbranched polymers</b>	A sub-class within dendritic macromolecules that is seen as a less perfect dendrimer
<b>Intramolecular cravities</b>	A void inside a molecule
<b>Ion mobility mass spectrometry (IM-MS)</b>	MS technique that detects the mass and shape of a material
<b>Liposomes</b>	Used as a benchmark delivery technique of drugs etc.
<b>Mass Spectrometry</b>	A technique that measures mass of a material
<b>Monodisperse</b>	Something that is flawless e.g. a protein
<b>Multifunctional dendritic PEGs</b>	A macromolecule that consists of a PEG polymer part and a dendritic part that provides a large number of functionalities
<b>Multifunctional platforms</b>	A material platform that can be used for different end-use
<b>Nanocapsules</b>	A nano-sized capsule that can act as a reservoir of e.g. a drug
<b>Nanomedicine sector</b>	An established market of cutting-edge medicines that is defined by the delivery of drugs that are formulated to be in the nanometer range i.e. 1-200 nm
<b>Nanoscale of 25 to 40 nm in diameter</b>	An entity that is 25 to 40 nanometer in diameter
<b>Nanosopic delivery system</b>	A delivery system of an active drug that is defined as nanoscopic, typically between 1-200 nm
<b>Pegylation technology</b>	A polymer additional method that provides water solubility as well as increased circulation time in the body
<b>Peptides</b>	Peptides are parts of a protein
<b>Polyamides</b>	A polymer that consists of amide bonds e.g. proteins are polyamides as well as nylon
<b>Polyester dendrons</b>	A polymer that consists of ester bonds
<b>Proteomics</b>	The study of large data of proteins
<b>Via multivalent interactions</b>	Multivalent interactions is a biological phenomenon in which the interaction increases exponentially with the number of interactive groups i.e. 1+1 does not yield two but more



# INTRODUCTION TO POLYMER FACTORY

**Polymer Factory was founded in 2006 at KTH Royal Institute of Technology, one of Sweden's most highly ranked universities, and its Board of Directors and CEO have been essential in driving dendritic nanotechnology research to commercialization for almost 15 years – expertise that has transferred to the Company's products.**

Emerging from many years of cutting-edge research within the field, Polymer Factory today has, in the board's assessment, the world's largest product portfolio of dendritic materials with customers ranging from BigPharma, MedTech- and BioTech-companies to research-intensive institutes and academic research groups. Polymer Factory has also used the Company's vast knowledge and expertise to develop a patented calibration technology, named SpheriCal®, specifically designed for Mass Spectrometry (MS) instruments.

## WHAT ARE DENDRITIC MATERIALS?

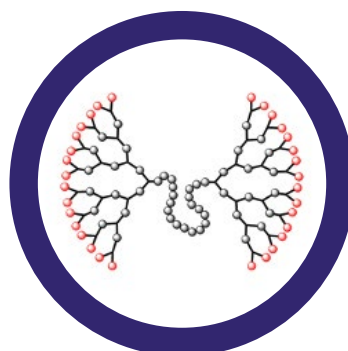
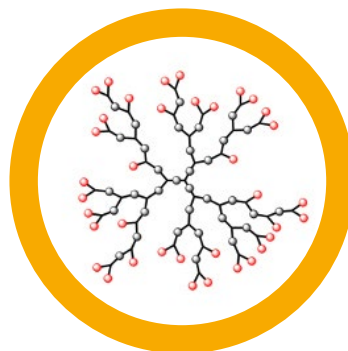
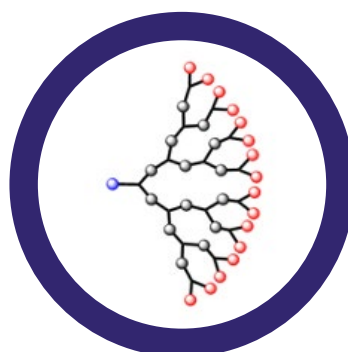
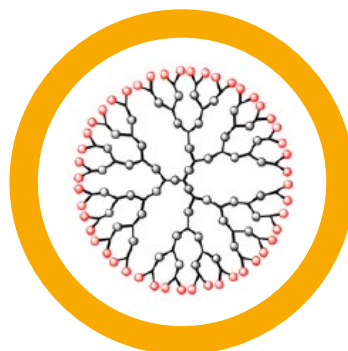
Dendritic polymers are highly branched, three-dimensional macromolecules that essentially act as smart delivery systems that enhance the effects of the substances they carry, e.g. a vaccine or an anticancer drug. Their unique chemical and physical properties make them ideal as multifunctional nanometer-sized scaffolds (i.e. structures) with potential use in a wide range of applications, such as gene/drug carriers, as nanocapsules (i.e. the ability to host "guests", e.g. encapsulate fragrances) and biosensors (enhancing detection in diagnostics). Dendritic polymers are consequently in demand across a range of industries, particularly in the nanotechnologically demanding industries such as pharmaceutical, BioTech and MedTech companies. Polymer Factory's team of scientists are renowned for their work on dendritic materials, and no other competing dendritic technology or solution on the market can, according to the board's assessment, offer the same level of scalability and flexibility as Polymer Factory, enabling applications across multiple technologically demanding industries.

Like trees with many branches, the architecture of dendritic materials makes them unique and useful in broad-ranging scenarios. This structure is characterized by a core, repeating branches, and a surface with a large number of active end-points. Thanks to their ability to repeat the exact same structure, and maintain the same properties, dendritic materials can be modified and attached based on specific needs. Typically, a substance is attached to the surface and/or internally in the dendritic body, enabling the dendritic macromolecule to carry, say, a cancer drug. Applications vary but show great promise particularly in drug delivery (as it is possible to control e.g. drug release and increase circulation time in the body while decreasing the toxicity of the drugs), in diagnostics (customers may use the Company's material as a dendrimer-based surface, or biosensor, to better detect levels of a certain protein, e.g. antibodies), as a stabilizing component for RNA and DNA where they can play an important role in the development of vaccines, as well as in tissue engineering and treatment of infectious diseases (dendritic materials have displayed strong antibacterial properties and can improve effectiveness of vaccines, providing stable and sustained release). Today, most pharmaceutical companies and others commonly use traditional carriers, for instance liposomes, and polymer carriers that persistently display non-uniform masses and sizes – the Company's dendritic materials present a number of competitive advantages in relation to these, not the least in terms of consistency, high loading volumes, biocompatibility and high degree of optimization.

### THE COMPANY'S PRODUCT PORTFOLIO

Polymer Factory's commercially available product portfolio comprises of over 300 products and is based on two major segments: dendritic materials and the patented calibration technology SpheriCal®. The dendritic materials portfolio consists of four sub-families that are manufactured, packaged, and subsequently sold: dendrimers, dendrons, hyperbranched polymers, and multifunctional dendritic PEGs. Each of these categories include a large number of individual products; every dendrimer, dendron, hyperbranched polymer and dendritic PEG material can be produced in a variety of sizes depending on the needs of the customer. Polymer Factory's dendritic materials are desired across multiple industries, particularly for biomedical and industrial use. Main areas and practical applications for dendritic materials are drug delivery systems, diagnostics, infections, and tissue engineering. According to the board's assessment, there is no competing dendritic technology on the market today that can combine the design versatility, batch-to-batch consistency, and biocompatibility as is provided by the Company's dendritic materials.

Based on the Company's expertise in dendrimer production, Polymer Factory has developed the patented calibration technology SpheriCal®, designed for MS instruments. Essentially, MS instruments measure the mass of a material. Due to continuous changes in various system components, MS instruments require regular calibration with a set of known standards. SpheriCal® is therefore used as a high-performance calibrant to make sure the instruments do not provide misleading data. Because of the high sensitivity and accuracy of modern MS





instruments, several MS technologies have become benchmark techniques for the analysis of biomolecules (DNA, proteins, peptides, carbohydrates, antibodies), as well as a powerful tool for testing in various fields and industries such as biochemistry, clinical virology/microbiology/diagnostics (cancer detection, sepsis, bacteria, viral diseases) and in drug discovery. There is a growing need for accurate calibration to enable faster and more precise analysis of chemical and biological substances in water, food, commercial/industrial products, and biological samples from patients (i.e. identification of diseases and viruses, such as MRSA, Covid-19, sepsis, and various cancer indications), while at the same time ensuring that sharper and more demanding regulations are met. The Company's patented technology supports customers in acquiring more accurate data in e.g. food testing, drug discovery, virology, and biomedical analysis and is, according to the board's assessment, the most precise mass spectrometry calibrant available on the market. The innovation

of the SpheriCal® technology has eliminated all shortcomings exhibited by existing calibration solutions, such as long calibration time, short shelf-life, limited calibration points per calibration and poor resolution at higher mass ranges. No competitor can, in the board's opinion, offer the same kind of dendritic nanotechnology as Polymer Factory since current competition only provide protein/peptide- or polymer-based calibrants, and therefore are unable to access the high performance enabled by the unique advantages of the SpheriCal® dendrimer technology.

Dendritic Nanogels (DNGs) is the most recent addition of innovative nanotechnology that the Company has developed. DNGs is a nanocarrier platform with the potential use as delivery vehicles of pharmaceuticals, peptides, antibiotics etc. The DNG technology is envisioned to be desired by different industries, particularly for biomedical and industrial use. It is based on Polymer Factory's dendritic materials and has been

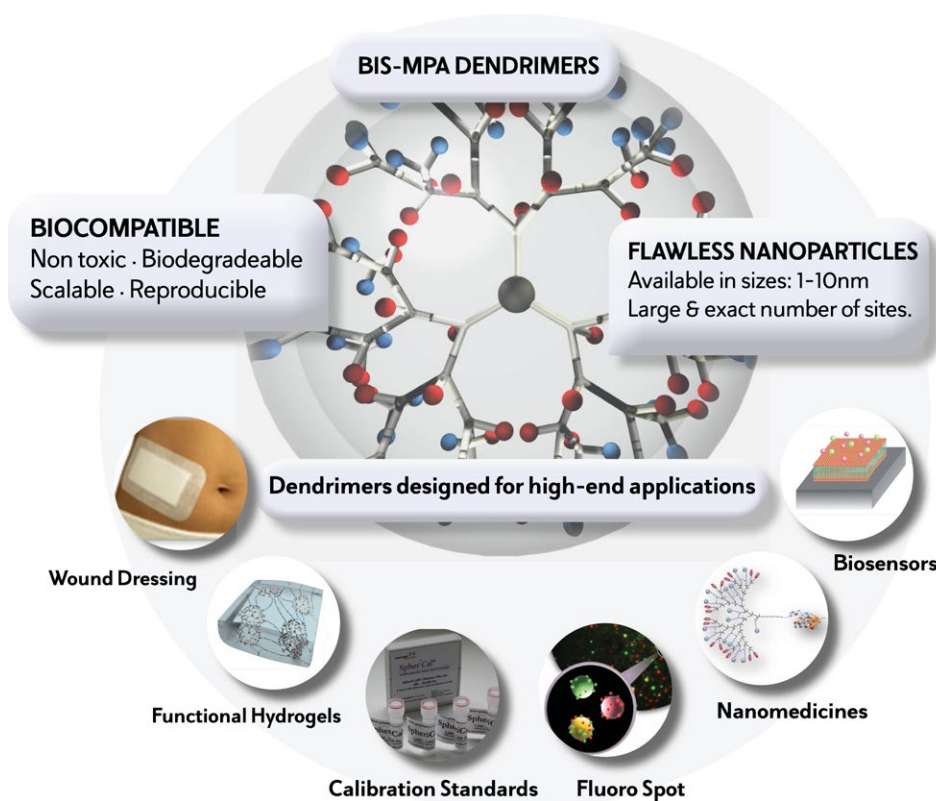


Figure above:

**Wound dressing:** Networks doped with DNGs or cationic dendrimers display remarkable antibacterial properties.

**Functional hydrogels:** Dendrimer-based hydrogels, acting as vehicle platforms carrying e.g. drugs.

**Calibration standards:** The Company has developed a dendrimer-based calibration technology for Mass Spectrometry instruments.

**Fluoro spot:** Dendritic materials can carry colorants and enhance detection, useful in diagnostics.

**Nanomedicine:** Dendritic technology is essentially nanotechnology applied in medicine, generating vast potential for use in e.g. treatment of cancer and cardiovascular diseases.

**Biosensors:** Dendritic materials applied as biosensors in diagnostics, enhancing detection.



developed in collaboration with the FORMAMP-consortium, sponsored by the EU FP7 program. It is a novel platform of crosslinked nanoparticles, with features such as water solubility, biocompatibility and degradability. The DNGs can be programmed to embed functionality and thereby allow them to act as nanoscopic delivery system of therapeutics, fragrances, peptides, and other organic molecules. Similar to the SpheriCal® technology, Polymer Factory is now taking steps towards necessary IPR protection, R&D, scale-up and eventually commercialization of the DNG technology through the Company's e-commerce site as well as partnership with companies across different sectors. The versatility and stability of the DNG platform has the potential to compete with current delivery systems including liposomes and inorganic nanoparticles.

### GROWING DEMAND ACROSS MULTIPLE SECTORS

Polymer Factory has been active since 2006 and has a stable stream of revenues and a customer-base including several companies (among others): Novartis, Sanofi, Illumina, Evonik, Bruker, JEOL and Biomerieux. The Company has also established partnerships and collaborations with several multinational corporations such as Koninklijke DSM N.V., Perstorp AB, MERCK KGaA (Sigma-Aldrich and MilliporeSigma), Creative Pegworks (CPW), and Iris Biotech. Moreover, Polymer Factory has a history of completed R&D projects with multinational corporations. Hence, the Company has an established business infrastructure with the possibility of global up-scale production and sales in a short period of time. Existing partnerships and collaborations also create favourable conditions to establish new partnerships with multinational corporations.

Polymer Factory's dendritic nanotechnologies have the potential of accelerating innovation in material and life science sectors. There is a growing demand for accurate calibration to enable faster and more precise analysis of chemical and biological substances in water, food, commercial/industrial products, and biological samples from patients, while at the same time ensuring that sharper and more demanding regulations are met. The Company estimates that the market for dendritic materials intended for the nanomedicine sector alone, amounted to approximately EUR 146 billion in 2019<sup>1</sup>. The MS market for SpheriCal® calibrants is estimated to amount to approximately EUR 380 million by 2025<sup>2</sup>. Polymer Factory's revenues have so far been based on incoming requests and purchase orders – the Company has in that respect done little in the area of proactive sales up until today. With the proceeds from this issuing of units prior to listing on Spotlight Stock Market, the Company will develop and expand the business and sales organization in order to accelerate Polymer Factory's long-term growth.

1. <https://www.transparencymarketresearch.com/nanomedicine-market.html>

2. Global Mass Spectrometry Calibration Standards Market, 2016-2025, Zion Market Research.

# INVITATION TO SUBSCRIBE FOR SHARES

## Issue resolution

The Board of Directors of Polymer Factory decided, at a board meeting on February 11, 2021, supported by an authorization from the Extraordinary General Meeting on December 1, 2020, on a new share issue prior to listing on Spotlight Stock Market.

## Invitation

In accordance with terms and conditions of this memorandum, you are hereby invited to subscribe for units in Polymer Factory at a subscription price of SEK 22,80 per unit. Each unit consists of three (3) shares and one (1) attached free warrant of series TO 1. The offer comprises of maximum 568,066 units which will be issued and the subscription price for each share is SEK 7.60 per share. Each warrant of series TO 1 entitles the holder to subscribe for one (1) new share in the Company at a price of SEK 9.10 during the exercise period in February and March 2022.

## Issue volume and issue costs

The total issue volume will initially amount to a minimum of SEK 10,434,784.80 and a maximum of SEK 12,951,904.80, of which approx. SEK 0.37 million is attributable to compensation (in the form of units) for bridge loan received in February 2021 and will thus not be provided to the Company. In addition, approximately SEK 1.8 million pertains to the bridge loan which, just like the compensation, is to be set off against units in the issue.

Upon a fully subscribed issuing of units the share capital will increase with initially SEK 170,419.80, from SEK 515,500 to SEK 685,919.80. The number of shares will accordingly increase by a maximum of 1,704,198 shares, from 5,155,000 shares to 6,859,198 shares. The minimal share capital increase will be SEK 137,299.80, from SEK 515,500 to 652,799.80 and the number of shares will, at the least, increase with 1,372,998 shares, from 5,155,000 shares to 6,527,998 shares. Each share will, regardless of the outcome, have a nominal value of SEK 0.10.

If all warrants of series TO 1 are exercised during the exercise period for warrants, the Company will receive additionally a maximum of SEK 5,169,400.60. The share capital will consequently increase with a maximum of SEK 56,806.60, corresponding to an increase in the number of shares of 568,066 shares.

The subscription of units will be implemented without preferential rights for existing shareholders.

## Liability

The Board of Directors of Polymer Factory is responsible for the content in this memorandum. The people listed below hereby jointly assure that they have taken all reasonable precautions to ensure that the information contained in this memorandum is, to the best of their knowledge, in accordance with the actual circumstances and that nothing to the board's knowledge has been omitted that may have material effects on the contents hereof.

Stockholm, February 24, 2021

The Board of Directors of Polymer Factory

<b>Eva Malmström</b>	Chairperson of the Board
<b>Michael Malkoch</b>	Board Member
<b>Mats Wallnér</b>	Board Member
<b>Anders Hult</b>	Board Member
<b>Leif Gustafsson</b>	Board Member

# SUMMARY OF THE OFFER

## Subscription period:

February 25 – March 11, 2021.

## Subscription price:

Each unit consists of 3 shares and 1 attached free warrant. Price per unit is SEK 22.80, corresponding to a price per share of SEK 7.60.

## Subscription post:

The minimum subscription post is 240 units (corresponding to SEK 5,472).

## Issue volume:

The offer comprises a maximum of 568,066 units, corresponding to initially approximately SEK 13 million (before issue costs of approximately SEK 1.28 million), and approximately SEK 0.37 million is attributable to compensation (in the form of units) for previously received bridge loan, and will thus not be provided to the Company.

In addition, approximately SEK 1.8 million pertains to the bridge loan which, just like the compensation, is to be set off in the issue. Minimum limit to carry out the new share issue is SEK 10,434,784.80, corresponding to 457,666 units.

Upon full exercise of warrants of series TO 1, the Company can be provided with additionally approx. SEK 5.2 million before issue costs, which corresponds to SEK 0.5 million.

## Number of shares before the issue of units:

5,155,000 shares.

## Valuation (pre-money):

Approx. SEK 39.2 million.

## Subscription commitments:

The Company has received subscription commitments corresponding to approximately SEK 6.5 million (including bridge financing and compensation for bridge financing). The total subscription commitment thus amounts to approximately 50 percent of the total initial issue volume.

## Lock-up agreements:

Existing shareholders, who together own 97 percent of Polymer Factory Sweden AB, have entered into lock-up agreements prior to the listing, meaning that they undertake not to sell any shares or warrants in the Company for at least 12 months from listing on Spotlight Stock Market.

## Attached free of charge warrants:

The exercise period of the warrants of series TO 1 (ISIN code: SE0015557293) is planned to take place in February/ March 2022.

Each warrant entitles the holder to subscribe for one new share in the Company at a price of SEK 9.10 per share.

Upon full exercise of all attached warrants, the Company will receive approximately SEK 5.2 million before issue costs.

## The ISIN-code for the share:

SE0015244470

## Expected first day of trading on Spotlight Stock Market:

April 7, 2021.

For complete terms and conditions, refer to "[Terms and Conditions](#)" in this document.

## INVESTMENT HIGHLIGHTS

### Polymer Factory is a company based on years of cutting-edge research

- Members of Polymer Factory's management and board of directors have been essential in driving dendritic nanotechnology research to commercialization for almost 15 years, expertise that has been transferred to the Company's products.
- The Company has developed two major product segments: dendritic materials and a patented calibration technology, SpheriCal®.
  - Dendritic materials are highly branched macromolecules that essentially act as smart delivery systems that will enhance effects of the substance they carry, e.g. a vaccine or an anticancer drug. Polymer Factory's unique dendritic materials are biocompatible, water-soluble, and non-toxic with an unprecedented potential for use in the pharmaceutical industry.
  - The Company's calibration technology, also based on dendritic materials, supports customers in acquiring more accurate data through so-called Mass Spectrometry (MS) instruments, which are commonly used in e.g. food testing, drug discovery, virology, biomedical analysis, etc. MS instruments require regular calibration with a set of known standards in order to provide meaningful and accurate data – this is where SpheriCal® provides a high-performance alternative to existing calibrants. In the board's view, Polymer Factory is the only company in the world that manufactures dendritic materials with sufficient purity to be translated as cutting-edge calibration standards for MS instruments.

### Portfolio of pioneering dendritic nanotechnology with unprecedented performance

- In the board's view, Polymer Factory is a global provider and producer of the world's largest product portfolio of dendritic materials, with customers ranging from BigPharma, MedTech- and BioTech-companies to research-intensive institutes and academic research groups.
- Dendritic materials: No other competing dendritic technology or solution on the market today can, according to the board's assessment, offer the same level of scalability and flexibility, enabling applications across multiple technologically demanding industries, such as MedTech and BioTech.
- The Company intends to accelerate the introduction of a recently developed nanocarrier platform based on dendritic materials, Dendritic Nanogels (DNGs), with potential use to encapsulate and control release of pharmaceuticals, peptides, antibiotics etc.
- SpheriCal®: According to the board's assessment, the most precise mass spectrometry calibrant on the market. The innovation of the SpheriCal® technology has eliminated all shortcomings exhibited by existing calibration standards, such as long calibration time, short shelf-life, limited calibration points per calibration and poor resolution at higher mass ranges.

### Growing demand across multiple sectors

- The Company's dendritic nanotechnologies can accelerate innovation in material and life science sectors, particularly through the availability of precision dendritic products that can enhance a desired property that is underperforming by our customers.
- There is a growing need for accurate calibration to enable faster and more precise analysis of chemical and biological substances in water, food, commercial/industrial products, and biological samples from patients, while at the same time ensuring that sharper and more demanding regulations are met.
- The Company estimates that the market for dendritic materials intended for the nanomedicine sector alone, amounted to approx. EUR 146 billion in 2019<sup>3</sup>. The target MS market for SpheriCal® calibrants is estimated to approx. EUR 380 million by 2025<sup>4</sup>.

3. <https://www.transparencymarketresearch.com/nanomedicine-market.html>

4. Global Mass Spectrometry Calibration Standards Market, 2016-2025, Zion Market Research.



## Strong existing customer-base

- Customers include (amongst others) Novartis, Sanofi, Illumina, Evonik, Bruker, JEOL, Biomerieux, all of which are returning customers.
- The Company has established partnerships and collaborations with several multinational corporations such as Koninklijke DSM N.V., Perstorp AB, MERCK KGaA (Sigma-Aldrich and MilliporeSigma), Creative Pegworks (CPW), Iris Biotech. The secured partnerships enabled the Company to expand the availability of dendritic materials as well broadened its customer base via global sales channels.
- With new capital and key recruitments in business and sales, there is strong potential to establish new partnerships with other multinational corporations. Strategy based on securing not just distribution agreements but tailored partnerships with e.g. BioTech and MedTech companies, providing Polymer Factory with royalty-based revenue streams.
- Since the founding of the Company, its management has primarily been engaged in research activities and has dedicated limited time to Polymer Factory's operations. Revenues have consequently been based on incoming requests and purchase orders – the Company has done little in the area of proactive sales. Despite this, there has been significant interest from a large number of multinationals, and stable revenue streams. With proceeds from this capitalization, there is an opportunity to significantly expand the business and sales organization and accelerate the Company's growth.

## Competitive advantage

- In the board's opinion, no competitor today can offer the same kind of dendritic nanotechnology. All competitors within the MS market provide protein/peptide- or polymer-based calibrants and are therefore unable to access the high performance enabled by the unique advantages of the SpheriCal® technology.
- In the board's assessment, there is today no competing dendritic technology on the market that can combine the design versatility, batch-to-batch consistency and biocompatibility as is provided by the Company's dendritic materials.
- Great potential of a future market breakthrough with the Company's novel DNG platform. Dendritic Nanogels are best described as versatile delivery vehicles, with the ability to hold together chemicals, drugs, macromolecules, etc. and subsequently release its cargo.

## IPO and the road ahead

- Funds from the new issue will enable the Company to make key recruitments in sales, business and product development, while significantly growing its presence in important markets. Investments will also be made in an additional research facility in order to expand in-house product development. In addition, part of the funds will be used to strengthen the Company's patent portfolio, as well as gaining necessary accreditations.
- The Company has a goal to reach revenues of approx. SEK 20 million in 2023. If, however, the Company secures e.g. royalty-based partnership agreements with key potential partners, revenues may be significantly higher.

## LETTER FROM CEO MICHAEL MALKOCH AND INCOMING CEO ELIN MIGNÉRUS

Describing the work that we at Polymer Factory do is not always an easy task. The complexity of dendritic nanotechnology – the very core of our business and research – is certainly responsible for this. And yet, as soon as we begin to understand the function of the dendritic materials, well, then we also understand that they are in fact utterly elegant in their simplicity and perfection.

**“The purpose of this capitalization and listing is to make sure that we realize Polymer Factory’s huge potential.”**

What makes dendritic materials so special, and in many ways superior, is their flawlessness, multifunctionality and dynamic structure. This makes them ideal for a vast number of applications in an array of industrial uses, from applications within pharmaceuticals and diagnostics as well as the chemistry and material industries. Consequently, it is quite difficult to grasp the potential market share of our dendritic materials as they are indeed illusive with “stem-cell” adaptable features. At any given time, a customer can seek a partnership with Polymer Factory in which we would negotiate to become the provider of a key component in their final product. It should be emphasized that we seek partnerships with BigPharma, MedTech or BioTech companies and have no intention to pursue clinical verifications of our dendritic nanotechnology on our own. Our strategy aims



Michael Malkoch, present CEO of Polymer Factory

at securing tailored, royalty-based partnerships with these companies, which would then generate very substantial revenue streams to our company.

Polymer Factory has emerged out of many years of cutting-edge research in the field of dendritic materials. Our team of scientists are renowned for their work in the area. This research has evolved into a business that now has the potential to accelerate dendritic nanotechnological breakthrough with global scale-up potential. However, up until now, our management – a team of leading scientists – have spent much of their time engaged in research at their respective institutions, meaning that Polymer Factory has not had the kind of executive management that is needed in order to take the Company to the next level.

The purpose of this capitalization and listing is to make sure that we realize Polymer Factory's huge potential. The fact that we are right now in the middle of a change in the position as CEO – Elin will soon take over, bringing valuable management expertise from the BioTech sector, with Michael continuing his long-term commitment to the Company as CTO – is a key component in our strategy to build a new management team.

We see ourselves in many ways as an accelerator firm for dendritic nanotechnology – generating cutting-edge products desired by customers across different high-demand sectors. From our roots in dendritic materials, we have developed SpheriCal®, a pioneering calibration technology, and more recently, our latest addition, DNGs. Our broad portfolio, comprising more than 300 products, has attracted customers from BigPharma, MedTech, BioTech, as well as the chemical and other industries. This demonstrates not just our ability to sell our products across a range of industries, but also the varied usage of dendritic nanotechnology.

We mentioned above that it is quite challenging to quantify the market uptake of our dendritic nanotechnology. This is strongly connected to their complexity – and perfection – making dendritic materials ideal as scaffolds for a plethora of applications. Quite commonly, they are used as drug carriers by the pharmaceutical industry and by researchers. For instance, the Australian Starpharma Holdings has an FDA approved product, Vivagel®, that is based on active dendrimer nanotechnology for both treatment and prevention of bacterial vaginosis as well as HIV and other viral diseases. Starpharma has estimated the market to be worth in excess of USD 2.75 billion<sup>5</sup> globally which foretells on the promise of Polymer Factory's own platform, that we believe is superior in all aspects compared with all available dendritic nanotechnologies. Dendritic materials' superior properties give them unique qualities as smart delivery systems, that can enhance and amplify a desired feature. This is why we also tend to call them dendritic amplifiers. Their versatility means that they are in equal demand across several sectors, for example in tissue engineering or diagnostics.

Based on our expertise in dendritic nanotechnology, we have developed a patented technology – SpheriCal® – of easy-to-use calibration standards, that will simplify and accelerate calibration of so-called mass spectrometry (MS) instruments. MS techniques are widely used in, for example, clinical virology/microbiology/medicine (cancer detection, sepsis, MRSA, viral diseases), drug discovery, and food testing. Today's calibration standards have several drawbacks, most of which our pioneering SpheriCal® line has overcome. Our objective, being supported by MS instrument manufacturers (OEMs), is to make SpheriCal® the universal calibration standard for multiple industries, enabling faster solutions to global health and cleantech challenges. We are currently in close collaboration with two large multinational OEMs, and are negotiating with one of them concerning the

signing of a general supplier agreement. As mentioned under our 'Objectives' later in this document, our ambition is to sign this agreement in 2021. The outcome with respect of sales volumes is currently difficult to predict, but an agreement would mean that SpheriCal® will, for the first time, be used by a dominant OEM in the MS market as internal standards and as an integrated component of the kits for detection of infections. We are confident that other OEMs will follow to secure access to Polymer Factory's SpheriCal® calibrants.

We are also very excited about our latest development, the DNGs. Areas where we see great potential for DNGs are in the delivery of antibiotics and as nano-carriers embedded in wound-dressing materials with a remarkable antibacterial ability that surpasses silver-doped wound dressing.

**"We see ourselves in many ways as an accelerator firm for dendritic nanotechnology – generating cutting-edge products desired by customers across different high-demand sectors."**

**Elin Mignérus**, incoming CEO



Polymer Factory has, until now, invested mainly in the development and production of its product portfolio, with large quantities of high-end dendritic materials and SpheriCal® calibrants in stock. The substantial stock enables the Company to quickly meet customers' orders and requests. Beyond the current global sales, either via our own channels or via MERCK KGaA, we intend to strengthen our business and sales organization in order to realize the Company's underlying values by significantly expanding our presence in a number of key markets. There is now an exceptional opportunity to take Polymer Factory to the next level and establish partnerships with several large multinationals, with strong positions in their respective industries. In order to realize that potential, we are welcoming investors to participate in the IPO of a total of approx. SEK 18.2 million through shares and warrants, prior to planned listing on Spotlight Stock Market.

**Michael Malkoch**  
Present CEO of Polymer Factory

**Elin Mignérus**  
Incoming CEO

5. <https://pubs.rsc.org/en/content/chapterhtml/2020/bk9781788011327-fp007?isbn=978-1-78801-132-7&sercode=bk>

# POLYMER FACTORY

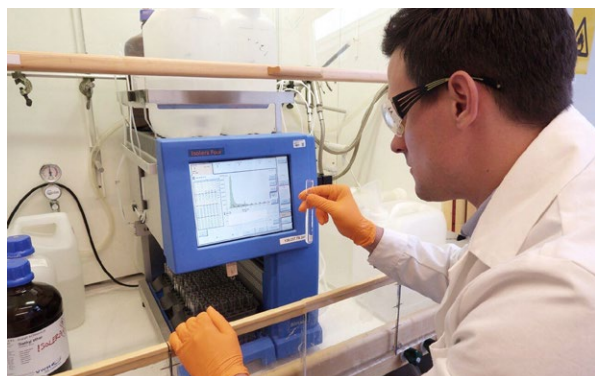
## BACKGROUND

There is today, across an array of industries, great demand for dendritic nanotechnology. For example, the application of dendritic polymers is widespread in BigPharma, MedTech, BioTech, as well as the chemical and other industries. A vast number of scientific publications has been published<sup>6,7</sup> on dendritic materials based on a simple molecule, 2,2 bis(methylol)propionic acid (bis-MPA), confirming their superiority vis-à-vis other products, especially as precision carriers for therapeutic and diagnostic applications. These dendritic materials have matured throughout more than 30 years of research.

## ABOUT POLYMER FACTORY

Polymer Factory was founded in 2006 at KTH Royal Institute of Technology, one of Sweden's most highly ranked universities, and is today one of the leading providers of dendritic materials. With years of cutting-edge research and subsequent commercialization, the Company has vast know-how on the scale-up production, transformation and application of dendritic macromolecules into products that can be made available for customers and partners. Polymer Factory's portfolio is based on two major segments: dendritic materials and its patented calibration technology, SpheriCal®. The Company's products are produced and compiled in its in-house laboratory in Stockholm, Sweden, and in a few cases by selected partners (see section "Significant agreements" for information on products that are provided by external producers).

The Company's dendritic nanotechnology portfolio of biocompatible and biodegradable<sup>8</sup> polymers includes flawless dendrimers and dendrons built from bis-MPA as well as hyperbranched polyesters and polyamides. With regards to its calibration technology, the Company holds the patent portfolio and brand name for SpheriCal®, a cutting-edge calibrant family for Mass Spectrometry (MS). Polymer Factory is also pursuing IPR protection and product development of the recently developed Dendritic Nanogel technology (DNG) – a scalable, non-toxic and degradable nanoscopic delivery platform.



Additionally, Polymer Factory performs contract research and development in partnership with companies. Previous successfully completed R&D projects include work performed with BigPharma (e.g. Sanofi) as well as MedTech and chemical companies.

## DENDRITIC MATERIALS

Dendritic polymers are an exclusive sub-branch of the polymer family. The word "dendritic" stems from the Greek language and means "branched like a tree". Such structures can be found in nature, ranging from meter scale trees and roots that harvest sunlight and nutrients to micrometer scale dendritic cells that are antigen-presenting cells of the mammalian immune system and act as messengers between the innate and the adaptive immune system. Branched structures present in nature maximizes interaction with the surrounding environment.

Similarly, dendritic polymers are highly branched, three-dimensional precision macromolecules that can be synthetically produced to match the structural perfection of peptides and proteins, giving them unique structures and properties beyond traditional linear polymers. They have a globular shape and a multitude of end-groups that allows for facile tailoring of properties. They can be perceived as nanoscopic building blocks paving the way for dendritic nanotechnology.

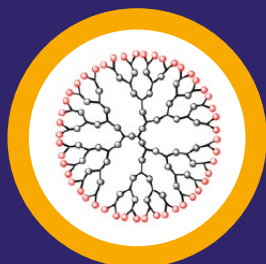
Their unique chemical and physical properties make them ideal as multifunctional nanometer-sized scaffolds (i.e. structures) with potential use in a wide range of applications, such as gene/drug carriers, nanocapsules and biosensors. Dendritic polymers are consequently in demand across a range of industries, particularly in the high-end pharmaceutical industry and among BioTech and MedTech companies.

## POLYMER FACTORY'S DENDRITIC MATERIAL PORTFOLIO

Polymer Factory's current dendritic materials portfolio consists of four sub-families that are manufactured, packaged and sold today: dendrimers and dendrons, hyperbranched polymers, and multifunctional dendritic PEGs. These products are provided to customers in quantities from milligrams up to 1 kg. This means that each of these product segments include a large number of individual products; every dendrimer, dendron, hyperbranched polymer and dendritic PEG material can be produced in a variety of sizes depending on the needs from the Company's customers. A customer in the pharmaceutical sector may opt for the Company's dendrimer products, rather than, say, dendrons, in order to utilize the large and exact cargo of one desired biologically active substance which a dendrimer can deliver. And, in a different scenario, a customer in e.g. the BioTech sector may choose dendrons rather than dendrimers in order to gain access to the dendrons' ability to specifically attach to an antibody, DNA, RNA etc and by doing so provide them with additional biological features that they typically do not exhibit.

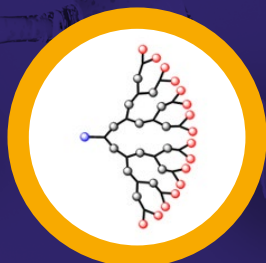
6. Chemistry of multifunctional polymers based on bis-MPA and their cutting-edge applications, S. Garcia-Gallego, A. M. Nyström and M. Malkoch, Progress in Polymer Science, 2015
7. Dendritic architectures based on bis-MPA: functional polymeric scaffolds for application-driven research, A. Carlmark, E. Malmström and M. Malkoch, Chemical Society Reviews, 2013
8. Stability and biocompatibility of a library of polyester dendrimers in comparison to polyamidoamine dendrimers, N. Feliu, M. V. Walter, M. I. Montanez, A. Kunzmann, A. Hult, A. Nyström, M. Malkoch and B. Fadeel, Biomaterials, 2012





### Dendrimers

Similar to proteins and peptides, Polymer Factory's polyester dendrimers are structurally flawless, perfectly branched nanomaterials with a large and exact number of functional groups, making them excellent scaffolding agents towards an array of high-end applications, such as the delivery of a large number of drugs to a specific tumor. The polyester dendrimers are based on bis-MPA, providing biodegradable and biocompatible scaffolds with high loading capacity and unparalleled batch-to-batch consistency. All products are produced in-house, certified by the Company as monodisperse with adequate analytical techniques, and are available in a variety of sizes and functionalities for further modification or conjugation. Prices range from EUR 1,000–4,000/gram.



### Dendrons

Dendrons consist of a structurally flawless, regularly branched wedge emanating from a single chemically addressable focal point, with an exact number of reactive peripheral groups. Therefore, these materials are unique multifunctional linkers and signal amplifiers for biological applications, often used to attach a cell or antibody targeting molecule and in parallel display a large payload of biological active motifs including colorants for enhanced detection of diseases. The polyester dendrons are based on bis-MPA, providing biocompatible and biodegradable scaffolds. All products are produced in-house, certified by the Company as monodisperse with adequate analytical techniques and are available in a variety of sizes and functionalities for further modification or conjugation. Price ranges from EUR 1,000–6,000/gram.



### Hyperbranched polymers

Hyperbranched polymers are less perfect molecules but still possessing the highly branched architecture with a multitude of end-groups. Nevertheless, the large number of functional groups coupled with lower production cost, and lower price, make these materials promising for future applications, such as additives for improving the properties of medical devices including catheters. Hyperbranched polymers are divided into three product lines: Boltorn™, Hybrane™ and Helux. They are highly branched three-dimensional (3D) macromolecules. Their globular and dendritic architectures endow them with unique structures and properties such as abundant functional groups, intramolecular cavities, low viscosity, and high solubility. These products are provided by the Company's partners, Perstorp AB and Koninklijke DSM N.V. to Polymer Factory and then carefully characterized and sold to customers globally. Price ranges from EUR 15–280/gram.



### Multifunctional dendritic PEGs

Polymer Factory's hybrid materials consist of linear PEG-cores with dendritic wedges attached to the end-groups; PEGs are highly desired polymers as they provide excellent solubility in water and, in parallel, the dendritic components introduce a high number of functionalities, making them strong candidates for advanced drug delivery systems or as targeting vessels/carriers. Multifunctional dendritic polymers are currently divided into two main product lines: dendronized PEGs and hyperbranched dendritic PEGs. Price ranges from EUR 300–1,000/gram.

# MOTIVES FOR NEW ISSUE

Up until this point, Polymer Factory has primarily run its business based on incoming requests and purchase orders – the Company has done little in the area of proactive sales. In order for the Company to accelerate its growth and build a dedicated business development and sales organization, it is now conducting an issue of units (shares and free of charge warrants) of a total of approx. SEK 18.2 million, prior to listing at Spotlight Stock Market. Approx. SEK 13 million is acquired in the initial issuing of shares, and an additional SEK 5.2 million can be acquired through the attached warrants of series TO 1 that can be utilized during February-March 2022. The board considers the listing at Spotlight Stock Market to be a natural step in this new expansion phase, providing the Company with access to investors, capital and a platform to increase awareness of Polymer Factory.

## BRIDGE FINANCING

Prior to the issue, the Company has implemented a bridge financing of a total of approximately SEK 1.8 million through a number of parties (see the section “Subscription commitments” in this memorandum). The bridge financing is part of the total subscription commitments of approximately SEK 6.5 million and has been paid in advance in order for the Company to be able to conduct operations and maintain a high pace of development during the issue and listing process. The bridge loan, together with compensation of approx. 20 percent, will be set off in its entirety against units in the issue.

## USE OF FUNDS FROM THE NEW ISSUE

Total issue of units (shares and free of charge warrants) can provide the Company with approx. SEK 18.2 million before issue costs. Through an initial issue of units, Polymer Factory can receive approx. SEK 13 million (before issue costs of approx. SEK 1.28 million, and approx. SEK 1.8 million pertaining to a bridge loan already received and compensation to bridge financiers amounting to approx. SEK 0.37 million). The net proceeds from the initial issue will thus be approximately SEK 9.6 million (excluding bridge financing of approx. SEK 1.8 million received in February 2021). Upon full exercise of warrants of series TO 1, the Company can receive an additional approx. SEK 5.2 million (before issue costs of approx. SEK 0.5 million). The net proceeds from the warrant exercise will thus be approx. SEK 4.7 million. The total net proceeds from the IPO and subsequent warrant exercise can be SEK 14.3 million and is intended to finance the following (arranged by priority):

- **Approx. 60-70%** will be used to accelerate the growth and match the need from customers by recruiting key personnel with expertise in sales, business- and product development. Polymer Factory has very recently recruited a new CEO, who will begin her work on April 1, 2021, and is currently interviewing candidates for the position as sales manager (CSO). The Company also aims to recruit a dedicated production manager of Dendritic Materials/DNG as well as an application specialist/product manager for SpheriCal®.
- **Approx. 20-30%:** Investments in an additional test and research facility, which would provide the Company with two

laboratories: one dedicated to Dendritic Materials as well as DNGs, and the other to mass spectrometry calibrants. In the case of the latter, Polymer Factory intends to build its MS facility to expand the in-house assay-driven product development of SpheriCal®.

- **Approx. 5-10%:** Maintenance and expansion of IP rights for the Company's patent portfolio. This includes the four patent families for the SpheriCal® technology as well as further securing the DNG patents in desired countries and regions.
- **Approx. 5-10%** will, as the products have scale-up potential in regulatory stringent markets i.e. MedTech, BioTech etc., be used to actively pursue necessary accreditations including quality management system (QMS), ISO13485 and so forth.

*Exact allocation within the ranges above will be dependent on market circumstances and strategic decisions.*

## FUTURE CAPITAL NEED

Polymer Factory today has steady revenue streams and is cash flow positive. Proceeds from the issue, including the utilization of warrants, will finance an expansion of the business and sales organization, as well as a second research facility. The Company does not foresee, at this point, any capital need in the near future. Capital need may however arise for expansion of products or refinement of the product range, as well as taking advantage of new business opportunities.

## PRICING OF THE SHARE

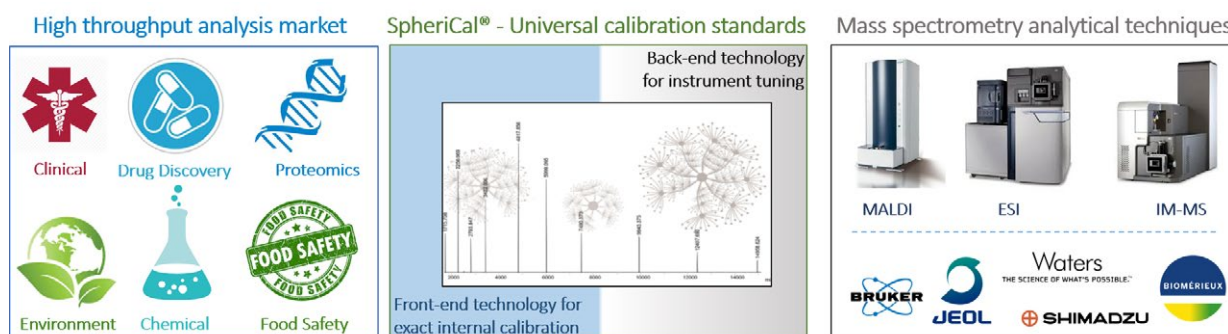
Given that Polymer Factory produce research-intensive, high-end products with applicability across multiple sectors, there are no accepted valuation model for a company like Polymer Factory. The pre-money valuation of approximately SEK 39.2 million has mainly been determined based on discussions between the board of Polymer Factory and Sedermera Fondkommission regarding the Company's existing operations, future potential, objectives, and long-term business prospects. In assessing of the Company's valuation, it has also been considering the market price of other comparable companies listed. In connection with the discussions, the Company has received subscription commitments corresponding to approximately 50 percent of the initial issue. Against this background the valuation is thus considered to be market-based.

## LISTING ON SPOTLIGHT STOCK MARKET

Polymer Factory is approved for listing on Spotlight, provided that the new issue's minimum limit (approx. 80 percent) is reached, and that Spotlight's ownership distribution requirements are met. The listing on Spotlight creates increased opportunities for good promotion of both the Company and its products. A listing on Spotlight also helps to facilitate any company acquisitions. The first day of trading is estimated to be the April 7, 2021.

## LOCK-UP AGREEMENT

Existing shareholders, who together own 97 percent of Polymer Factory, have entered into lock-up agreements prior to the listing, meaning that they undertake not to sell any shares or warrants in the Company for at least 12 months from listing on Spotlight.



The MALDI technique uses a laser energy to generate ions from macromolecules allowing them to fly towards a detector that collects them. Based on their mass, the macromolecules will fly differently. It is applied to the analysis of biomolecules, e.g. DNA, proteins, peptides, and sugars, as well as large organic molecules including polymers, dendrimers and other macromolecules.

SpheriCal® is also adaptable to other Mass Spectrometry (MS) techniques, including electrospray ionization (ESI) and ion mobility Mass Spectrometry (IM-MS). Both techniques produce ions using electrospray in which a high voltage is applied to a liquid to create an aerosol. Due to continuous changes in MS system components, data recorded exhibits a significant drift over time and between analysis runs, leading to misleading data. Therefore, mass spectrometers require constant calibration with a set of known calibration standards to provide accurate and meaningful data.

There has been a Phase I Horizon 2020 SME-Instrument Feasibility Study on the SpheriCal® product line, which was carried out to facilitate the research and development of SpheriCal®. The study was conducted in order for SpheriCal® to be utilized in the full range of mass spectrometry techniques such as ESI and IM-MS and to expand its market reach. Horizon 2020 is the largest EU research and innovation program, striving to take innovations from lab to market. Polymer Factory aims to submit a Phase II application to secure funds from Horizon Europe EIC Accelerator Pilot. If successful, the none-dilutive funds will allow the Company to accelerate its activities for the utilization and market uptake of SpheriCal® to ESI and IM-MS techniques.

#### SPHERICAL® – STATE-OF-THE-ART CALIBRANT

SpheriCal® is, in the board's opinion, the most precise mass spectroscopy calibrant on the market today<sup>16</sup>. SpheriCal® has several advantages when compared to available alternatives.

The main issues with existing calibrants is that they are time-consuming, have short shelf-life, increase instrument downtime due to contamination, offer only limited calibration points per calibration and poor resolution at higher mass ranges. SpheriCal® provides the highest resolution at the most efficient cost, by drastically reducing preparation time, from 40 mins/day to 5 mins/day and offer a longer shelf-life than existing state-of-the-art technologies. Additionally, SpheriCal® is produced in multigram scale and sold in micrograms thereof an unprecedented gross margin above 99.9%. The innovation of the SpheriCal® technology has thus eliminated the shortcomings exhibited by the existing calibration standards on the market and is ideally suited to increase accuracy and productivity in the growing high-throughput and automated-analysis markets<sup>17</sup>.

Polymer Factory's SpheriCal® IPR portfolio also makes the Company the current sole provider of dendrimers to be used as calibration standards MALDI-MS, ESI-MS and IM-MS. All competitors provide protein/peptide- or polymer-based calibrants and are therefore unable to access the high performance enabled by the unique advantages of the SpheriCal® technology. For example, only a limited number of proteins and peptides are available in sufficient quantities to be used for MS calibration, limiting the available molecular weights that can be used for calibration, and giving no possibility to tune the properties of the calibration material. Therefore, the Company's competitors in the MALDI MS market are not able to move into other MS markets. Polymer Factory has a competitive advantage, owing to the dendritic nanotechnology, in that the SpheriCal® standards can be designed bottom-up to adjust performance and fit the desired market or application, facilitating entering secondary and tertiary markets with relatively small changes to existing products.

16. Advantages of Monodisperse and Chemically Robust "SpheriCal" Polyester Dendrimers as a "Universal" MS Calibrant, S. M. Grayson, B. K. Myers, J. Bengtsson and M. Malkoch, Journal of the American Society for Mass Spectrometry, 2014

17. SpheriCal®-ESI: A dendrimer-based nine-point calibration solution ranging from m/z 273 to 1716 for electrospray ionization mass spectrometry peptide analysis, J. Romson, et.al., Rapid Comm Mass Spectrom, 2020



# SUBSCRIPTION COMMITMENTS

Polymer Factory has received legally binding subscription commitments of approximately SEK 6.5 million, corresponding to approximately 50 percent of the initial issue volume.

Of the subscription commitments, approximately SEK 1.8 million refers to previously completed bridge financing, which is set off against units in the forthcoming new issue, while approximately SEK 0.37 million refers to the premium that the bridge financiers receive and which is also set off against units in the forthcoming issue.

No premium compensation is paid for the subscription commitment beyond what is stated above. All parties who have entered a subscription commitment can be reached via the Company's address.

The table below present all the commitments which have been agreed in writing and signed in February 2021. Apart from the bridge financing that has been obtained and that is set off against units, the subscription commitments have not been secured via advance transaction, bank guarantee or similar. Note that pre-subscribers will receive full allocation in relation to the concluded subscription commitment.

Pre-subscriber	Amount (SEK)	Of which bridge financing (SEK)
SCEM Consulting AB <sup>1</sup>	317,968.80	89,991.60
Eva Malmström <sup>2</sup>	211,971.60	59,986.80
Peter Rundlöf	211,971.60	59,986.80
Joan Larsholm	211,971.60	59,986.80
Ludvig Arwidsson	211,971.60	59,986.80
Renewable Ventures Nordic AB	211,971.60	59,986.80
Richard Kilander	211,971.60	59,986.80
Mikael Blihagen	211,971.60	59,986.80
Peter Nilsson	211,971.60	59,986.80
John Andersson Moll	211,971.60	59,986.80
Página Invest AB	211,971.60	59,986.80
Johan Stein	211,971.60	59,986.80
Jens Olsson	211,971.60	59,986.80
Göran Ofsén	211,971.60	59,986.80
Patric Blomdahl	211,971.60	59,986.80
Per Vasilis	211,971.60	59,986.80
Jinderman & Partners AB	211,971.60	59,986.80
Eastbridge Capital AB	211,971.60	59,986.80
Jimme Landerman	211,971.60	59,986.80
Måns Flodberg	211,971.60	59,986.80
Erik Svensson	211,971.60	59,986.80
DMS Holding ApS	211,971.60	59,986.80
Johan Kjell	211,971.60	59,986.80
Per Nilsson	211,971.60	59,986.80
Gerhard Dal	211,971.60	59,986.80
Tonoy Sayeed	211,971.60	59,986.80
Stefan Holst	211,971.60	59,986.80
Mosa Essa	158,961.60	44,984.40
Virtousetfides AB	158,961.60	44,984.40
NordicBlue AB <sup>3</sup>	127,178.40	35,978.40
Leif Gustafsson <sup>4</sup>	105,974.40	29,982.00
Anders Hult <sup>5</sup>	52,964.40	14,979.60
Lars Öjefors	31,760.40	8,983.20
Andreas Nyström	10,579.20	2,986.80
<b>Total</b>	<b>6,475,610.40</b>	<b>1,832,527.20</b>

1. Board member and CEO Michael Malkoch owns 90% of SCEM Consulting AB

2. Chairperson of the Board of Directors of Polymer Factory

3. Partly owned by Board Member Mats Wallner

4. Board Member of Polymer Factory

5. Board Member of Polymer Factory



## POLYMER FACTORY'S PIONEERING DENDRITIC MATERIAL SOLUTION

The Company's product offering of dendritic materials provide potential customers with a set of features that, in the board's assessment, stand out against alternatives on the market. For example, dendritic materials show tremendous potential in the fields of drug delivery and diagnostics. At present, pharmaceutical companies and others commonly use traditional carriers, for instance liposomes, polymer carriers and traditional polymer qualities that persistently display non-uniform masses and sizes (such as the popular "Pegylation" technology), as opposed to the Company's dendritic materials. However, when applied as drug carriers, Polymer Factory's dendritic materials have a number of competitive advantages:

- Structural perfection (i.e. they are monodisperse and structurally flawless).
- High scalability and batch-to-batch consistency – an important feature across several high-end sectors e.g. therapeutic and diagnostic applications.
- High loading capacity, enabling the attachment of an exact and large number of drugs while decreasing the drug's toxicity when merged with the dendritic material.
- High level of optimization and flexibility, allowing users to achieve desired targeted complexation and product formulation.
- Biocompatibility and biodegradability; the dendritic carriers degrade under physiological conditions.

The Company's dendritic materials are also applied for use in diagnostics, where they function as amplifiers or scavengers (capturers). For instance, as amplifiers, dendrons can carry multiple copies of fluorescent dyes (colorants) and after attachment of the dendrons to a targeted anti-body, the diagnostic detection level is amplified.

### Practical applications

Polymer Factory's dendritic materials are desired across multiple industries, particularly for biomedical and industrial use. The following are the main areas and practical applications:

- **Drug delivery system:** Polymer Factory's dendrimers and dendrons are considered as front-runners by the scientific community as precision dendritic therapeutic carriers<sup>9,10,11</sup>. Scientific publications have shown that they can match the commercially available liposomal drug formulation, Doxil, for treatment of cancer<sup>12</sup>. They have excellent scaffolding ability to carry an exact payload of therapeutics, increase the aqueous

solubility and preclinically increase the circulation time in the body and in parallel decrease the toxicity of the drugs while conjugated. Customers in this segment that have purchased our products include Novartis, Sanofi, Tiba Biotech, Baseclick GmbH, Avidex Technologies, and NIH. For example, a US based BioTech company has extensively been utilizing our dendritic products as molecular delivery materials of RNA and with the aim of providing next generation safe and more effective vaccines.

- **Diagnostics:** Due to their large and exact representation of functional groups, dendritic materials have the ability to effectively interact with biomolecules such as antibodies, in solution or surface-to-solution, via multivalent interactions. Additionally, these products can carry a large number of dyes (colorants) to increase the detection sensitivity for instance for detection of specific diseases<sup>13,14</sup>. Customers in this segment that have purchased the Company's products include Element Biosciences Inc, Illumina Cambridge Inc, and Mercy Bioanalytics Inc. Customers may use the Company's material as a dendrimer-based surface, or biosensor, to better detect levels of a certain protein (e.g. antibodies). With Polymer Factory's materials, sensitivity is thus significantly increased, and detection improved. For instance, a European BioTech company is currently assessing the Company's dendrons by conjugating them to nucleic acids (RNA and DNA) for enhanced detection.
- **Infections:** The Company has a promising product line fitted to inhibit the spread of infections without the need of antibiotic: positively charged dendrimers. Positively charged dendrimers have shown promising antibacterial features that renders use of antibiotics unnecessary.
- **Tissue engineering:** Dendritic materials can display a large number of biologically active motifs to attract cells for enhanced tissue growth. Their degradable nature to non-toxic adducts minimize the risk of long-term presence in the body and thereof fast clearance through the renal filtration system<sup>15</sup>.

## MASS SPECTROMETRY CALIBRANTS – SPHERICAL®

Polymer Factory is an accelerator company for dendritic nanotechnology. Based on its expertise in dendrimer production, the Company has developed the pioneering calibrant technology SpheriCal®. All commercial calibration solutions have significant drawbacks, which prompted Polymer Factory to design and commercialize three families of cutting-edge synthetic calibration standards for mass spectrometers. SpheriCal® is an innovative technology designed to meet the calibration requirements of matrix-assisted laser desorption/ionization instruments (MALDI).

9. Therapeutic nanocarriers via cholesterol directed self-assembly of well-defined linear-dendritic polymeric amphiphiles, O. C. J. Andrén, Y. Zhang, P. Lundberg, C. J. Hawker, A. M. Nyström and M. Malkoch, *Chemistry of Materials*, 2017
10. Heterogeneous Rupturing Dendrimers, O. C. J. Andrén, A. P. Fernandes and M. Malkoch. *J. Am. Chem. Soc.*, 2017
11. Amino-functional polyester dendrimers based on bis-MPA as non-viral vectors for siRNA delivery, P. Stenström, D. Manzanares, Y. Zhang, V. Ceña and M. Malkoch. *Molecules*, 2018
12. A single dose of doxorubicin-functionalized bow-tie dendrimer cures mice bearing C-26 colon carcinomas, Lee, C. C.; Gillies, E. R.; Fox, M. E.; Guillaudeu, S. J.; Frechet, J. M. J.; Dy, E. E.; Szoka, F. C. *Proceedings of the National Academy of Sciences of the United States of America*, 2006
13. Bifunctional Dendronized Cellulose Surfaces as Biosensors, M. I. Montañez, Y. Hed, S. Utsel, J. Ropponen, E. Malmström, L. Wågberg, A. Hult and M. Malkoch, *Biomacromolecules*, 2011
14. Design of multivalent fluorescent dendritic probes for site-specific labeling of biomolecules. Á. Martín-Serrano Ortiz, P. Stenström, P. Mesa Antunez, O. C. J. Andrén, M. J. Torres, M. I. Montañez and M. Malkoch. *Journal of Polymer Science Part A: Polymer Chemistry*, 2018
15. Dual-purpose PEG scaffolds for the preparation of soft and bifunctional hydrogels: the convergence between CuAAC and thiol-ene reactions", K. Oberg, Y. Hed, I. J. Rahmn, J. Kelly, P. Lowenhielm and M. Malkoch, *Chemical Communications*, 2013

## PROBLEMS

### Existing Calibration Standards

**Time consuming**  
40 mins/day

**Poor resolution**  
at high mass range

**Limited calibration**  
require more  
calibration & higher costs

**Short shelf life**  
require storage at -18°C  
prior to use

**ion-source contamination**  
extended instrument  
downtime

## SOLUTION

### SpheriCal® Technology

**Easy to use**  
5 mins/day

**Great resolution**  
improve calibration &  
instrument tuning

**Increased  
calibration range**  
up to 30,000 Da

**Long shelf life**  
up to 8 years at room  
temperature

**No ion-source  
contamination**



There is currently a growing demand for improved MS accuracy and accordingly better calibration possibilities due to growing regulatory and technical innovation. Polymer Factory sells easy-to-use standards that simplify and accelerate calibration of the MALDI instruments.

The SpheriCal® (MALDI) technology is divided into three product lines used primarily by companies in BioTech, core analytical facilities, OEMs as well as universities. Previous and current customers include Teva Pharmaceuticals, JEOL, Shimadzu, Bruker Daltonik, MERCK KGaA, SpectraPass Inc, Stepan Company, Inc, Applied Surface Tech, CSIRO MSE, INTERPRISE USA CORP, University of British Columbia, University of Massachusetts Amherst, The University of Manchester, The University of Queensland, South Nevada Health District, and Harvard Center for Mass Spectrometry. These product lines are presented below:

#### SpheriCal®

SpheriCal® overcomes many shortcomings of existing peptide and protein calibrants. Primarily used in high throughput applications in which the customers can in a straightforward manner spot-and-calibrate the MS instrument with excellent outcome.

#### SpheriCal® Aqua

SpheriCal® Aqua aims to meet user-needs in the field of biological science by enhancing efficiency in the aqueous media. It is compatible with water as a solvent which eliminates the use of organic solvent. Primarily used by end-users in clinical environments.

#### SpheriCal® 10-point

SpheriCal® 10-Point Kit provides 10 separated mass signals in a single vial thereby providing excellent resolution of the MS instrument. Each kit offers at least 100 calibrations. It is the only product on the market that offer a single vial product with primary use suited for high-throughput detection of bacteria and virus infections.

Each SpheriCal® and SpheriCal® Aqua vial contains 50 micrograms and costs EUR 290. SpheriCal® 10-point contains 50 µg and costs EUR 580. One (1) gram corresponds to one million (1 000 000) microgram (µg).

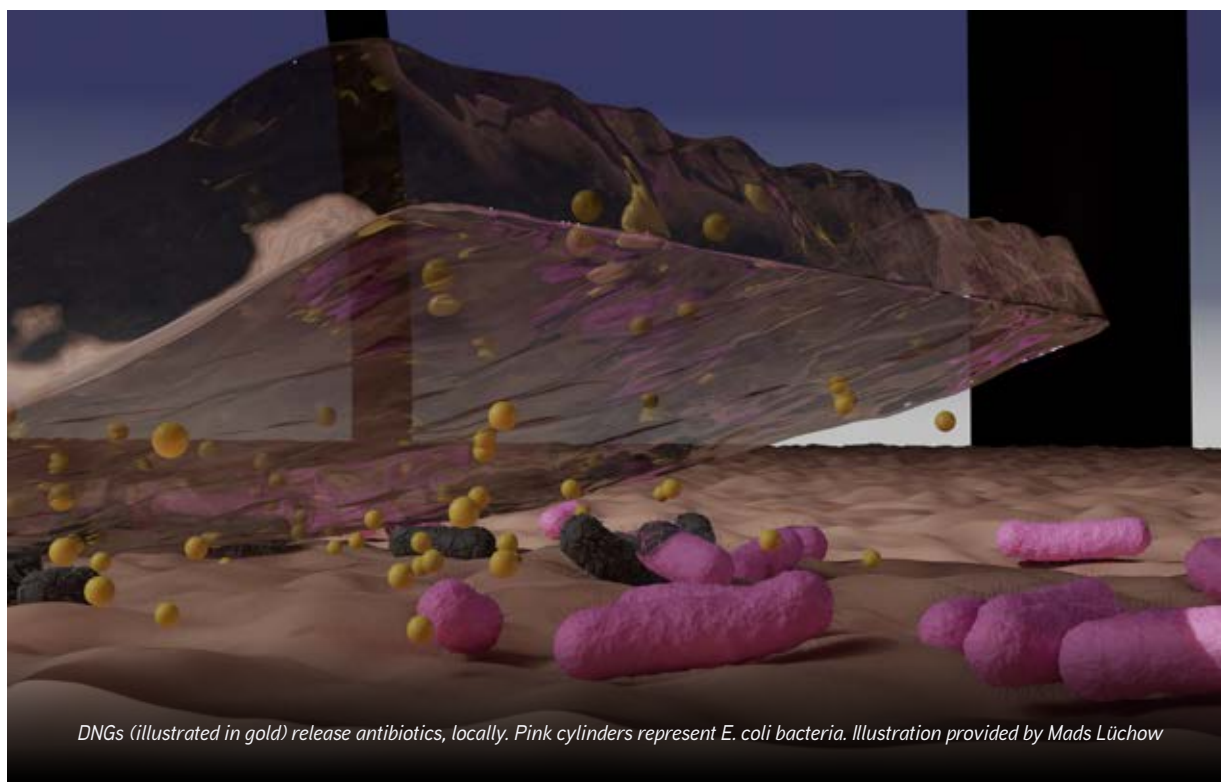
## DENDRITIC NANOGELS (DNGS)

In addition to Polymer Factory's products described above, the Company is now embarking on a journey to accelerate the introduction of its new dendritic nanocarrier platform: Dendritic Nanogels (DNGs), with potential use as delivery vehicles of pharmaceuticals, peptides, antibiotics etc. DNGs is the most recent addition of innovative nanotechnology that the Company has developed. It is based on Polymer Factory's dendritic materials and has been developed in collaboration with the FORMAMP-consortium, sponsored by the EU FP7 program. It is a novel platform of crosslinked nanoparticles that covers the nano-scale of 25 to 400 nm in diameter, with features such as water compatibility and degradability. The DNGs can be programmed to embed functionality and thereby allow the DNGs to act as nanoscopic delivery system of therapeutics, fragrances, peptides and other organic molecules. Polymer Factory is now taking on the journey towards necessary IPR protection, R&D, scale-up and eventually commercialization (expected in 2022) through the Company's e-commerce site as well as partnership with companies across different sectors.

## Practical applications

Nanogels have arisen as versatile delivery vehicle platforms with the ability to hold together active chemicals, drugs, biological motifs, macromolecules etc. and then in the next phase release its cargo when reaching its target<sup>18</sup>. Consequently, nanogels have great potential to address nanomedicine challenges related to cancer, the central nervous system and cardiovascular diseases. Polymer Factory's DNG technology is a new platform of nanogels envisioned to be desired in different industries, particularly for biomedical and industrial use. The following are the main areas and practical applications:

- **Drug delivery system:** Polymer Factory's DNG nanotechnology has been assessed as a new delivery carrier platform that allows the encapsulation and release of anti-cancer drugs as well as antimicrobial peptides<sup>19,20</sup>.
- **Infections:** Hydrogels embedded with DNGs were successfully engineered to wound dressings allowing for the release of two different antibiotics. The newly identified technology was found superior to wound dressing doped with silver<sup>21</sup>.



*DNGs (illustrated in gold) release antibiotics, locally. Pink cylinders represent E. coli bacteria. Illustration provided by Mads Luchow*

18. <https://www.futuremedicine.com/doi/10.2217/nnm-2020-0274>

19. Off-Stoichiometric Thiol-Ene Chemistry to Dendritic Nanogel Therapeutics. Y. Zhang, O. C. J. Andr  n, R. Nordstr  m, Y. Fan, M. Malmsten, S. Mongkhontreerat and M. Malkoch, Advanced Functional Materials, 2019

20. Degradable dendritic nanogels as carriers for antimicrobial peptides, R. Nordstr  m, O. C. J. Andr  n, S. Singh, M. Malkoch, M. Davoudi, A. Schmidtchen and M. Malmsten. Journal of Colloid and Interface Science, 2019

21. Nanogel Encapsulated Hydrogels As Advanced Wound Dressings for the Controlled Delivery of Antibiotics. Y. Fan, M. L  chow, Y. Zhang, J. Lin L. Fortuin, S. Mohanty, A. Brauner, M. Malkoch, Advanced Functional Materials, 2020

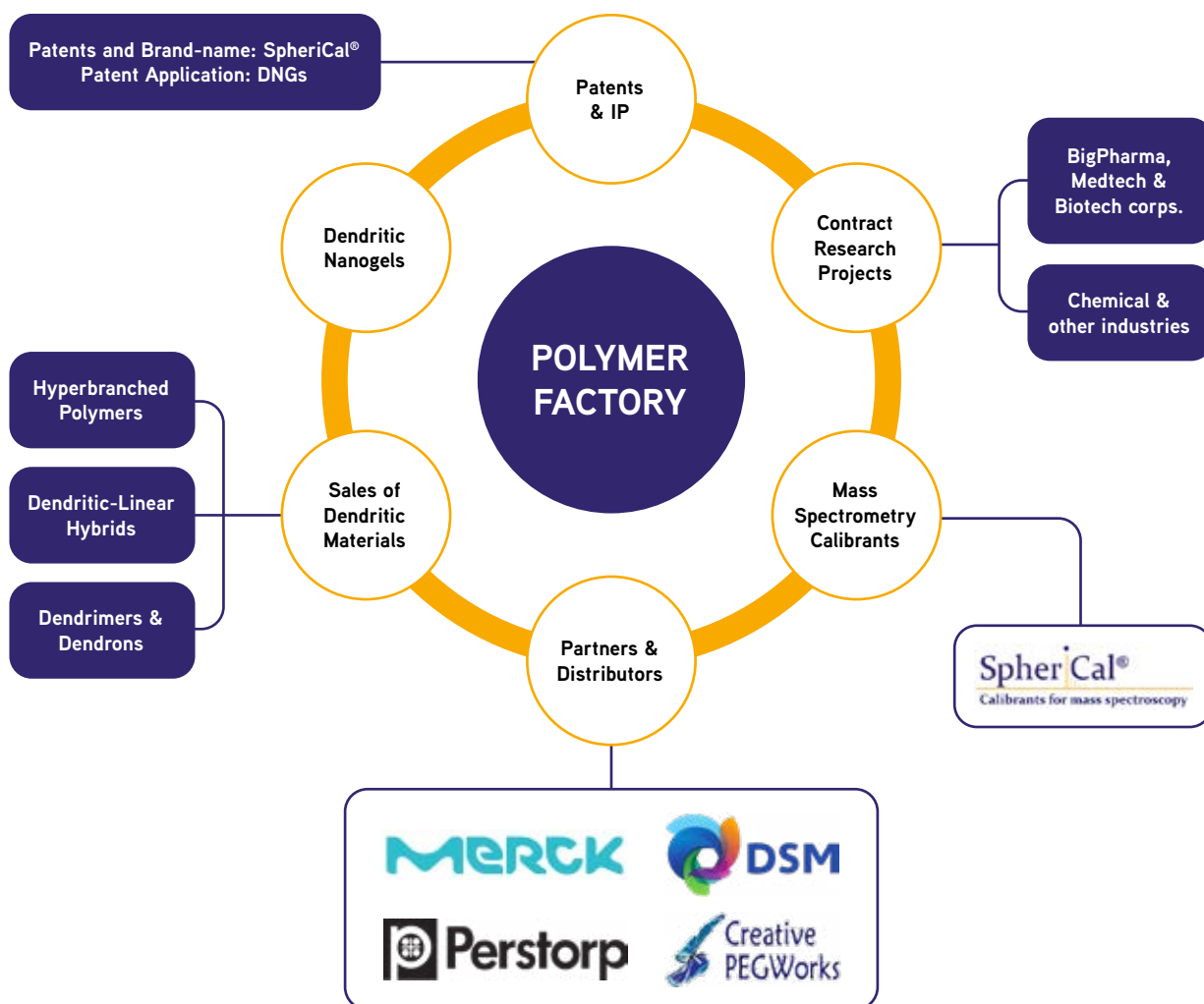
## BUSINESS MODEL

The Company acts as an accelerator to develop and commercialize dendritic materials and nanotechnologies; increasingly this will be conducted in direct collaboration with customers/partners based on their specific needs. As a part of its R&D and commercialization efforts, the Company continuously works towards obtaining regulatory certification (see section “Regulatory environment” below) and enhancing existing intellectual property rights.

The combination of sales channels means that the products reach a wide range of customers. The Company's business model focuses on “sell-to-catch” strategy in which returning customers are courted by the Company for in-depth discussions on potential partnership, including OEMs for SpheriCal®. In 2020, the Company had on average 100 000 SEK/month in direct sales with several returning customers in the fields of vaccines, diagnostics and therapeutics. This while the Company was affected by the global impact of COVID-19.

The Company handles its sales via two primary channels:

- Worldwide and regional distributors
- Direct sales via in-house sales organization (incl. an e-commerce platform)





## CUSTOMERS

Polymer Factory has to date sold dendritic materials and its SpheriCal® calibrants to a large number of multinational companies and across different markets. To name a few e.g. Novartis, Sanofi, Moderna Therapeutics, Tiba Biotech, Illumina, DNA Script, Thermo Fisher Scientific, Bruker, Biomerieux, JEOL, Shimadzu, as well as world-class universities and research institutes such as Harvard University, Max Planck Institute for Chemistry, Stanford University, University of Cambridge and Caltech. Several of these are returning customers who have expressed an interest in deepening collaboration with Polymer Factory. Up until now, customers have used the Company's dendritic materials in application-driven research environments, with promising results as many are recurring customers.

Since 2008, MERCK KGaA, the world's largest provider of fine chemicals and analytical calibrants, has acted as reseller for the Company's products on a global scale. MERCK KGaA is currently Polymer Factory's biggest customer and today displays over 100 dendritic amplifiers and 41 SpheriCal® (MALDI) products. Other distributors include Creative PEGWorks and Iris Biotech GMBH.

A typical order for Polymer Factory's dendritic materials ranges between EUR 300–5,000 and for SpheriCal® calibrants between EUR 300–2,000.

## PATENT PORTFOLIO

In November 2020, Polymer Factory acquired all SpheriCal® patents from Tulane University, USA. At present, Polymer Factory has two pending and two issued patents for SpheriCal® and one pending for DNGs.

Patent	Patent/ application no.	Status	Region/ country	Patent/application expiration date
Tuned synthetic dendrimer calibrants for mass spectrometry (SpheriCal® MS calibrant MALDI)	US8846848	Granted	US	2031-03-17
	EP2393798		Europe	2030-02-03
	JP5666476		Japan	2030-02-03
	KR101741048		Korea	2030-02-03
	CN102325760B	Pending	China	2030-02-03
	CA2751330C		Canada	2030-02-03
	ES2656434		Spain	2030-02-03
Tuned synthetic dendrimer calibrants for mass spectrometry (SpheriCal® MS calibrant MALDI)	US10347476	Granted (National Divisional)	US	2035-11-20
	SE540440		SE	2033-05-21
	SE542504			2033-05-21
Iodo-functionalized polymers as mass spectrometry calibrants with a mass defect offset (SpheriCal® MS calibrant MALDI & ESI)	16/307430	Pending (National/PCT)	US	2037-06-05
	EP3464463		EU	2037-06-05
Functionalized calibrants for spectrometry and chromatography (SpheriCal® MS calibrant IM-MS)	16/617692	Pending (National/PCT)	US	2038-05-29
	EP18810535		EU	2038-05-29
Dendritic nanogel carriers and method of production (DNG Technology)	SE2019/050745	Pending (PCT)	US EU CH Japan Korea	2039-08-14

## REGULATORY ENVIRONMENT

An important part of Polymer Factory's business and growth strategy is to continuously protect and strengthen its IP rights. In addition, Polymer Factory has identified the need to become Quality Management System (QMS) accredited, through Swedac, as well as secure necessary ISO certifications for its products. Polymer Factory will therefore accelerate its efforts to obtain accreditation of its overall business as well as certification of its production portfolio to conform with regulatory demands requested by the Company's customers. For instance, the use SpheriCal® calibrants in a certified hospital/laboratory environment will require a so-called Certified Reference Material (CRM) label of the products. CRMs have strict requirements on sample homogeneity and stability. Therefore, CRMs provide an additional level of confidence and assurance to the end user that they are purchasing a product that will perform well. CRMs are of particular importance in analytical chemistry and clinical analysis, as well as other application fields where quality control and traceability are of the highest importance. Consequently, the Company will secure appropriate ISO certification, ISO 17025 and ISO 17034, to become CRM producer. Similarly, ISO 13485 labelling will be required for dendritic materials that have use as key components in MedTech and BioTech applications.

The Company expects that full accreditation according to the standards above can be achieved for the Company's products and for regulatory demanding sectors by 2023.

22. <https://www.transparencymarketresearch.com/nanomedicine-market.html>

23. <https://pubs.rsc.org/en/content/chapterhtml/2020/bk9781788011327-fp007?isbn=978-1-78801-132-7&sercode=bk>

24. <https://pubs.rsc.org/en/content/chapterhtml/2020/bk9781788011327-fp007?isbn=978-1-78801-132-7&sercode=bk>

25. <https://pubs.rsc.org/en/content/chapterhtml/2020/bk9781788011327-fp007?isbn=978-1-78801-132-7&sercode=bk>

26. Next-generation sequencing reveals low-dose effects of cationic dendrimers in primary human bronchial epithelial cells, Feliu, N.; Kohonen, P.; Ji, J.; Zhang, Y.; Karlsson, H. L.; Palmberg, L.; Nystrom, A.; Fadeel, B. ACS Nano 2015, 9, 146.

## MARKET OVERVIEW

### The market for dendritic materials

The use of dendritic nanomaterials has, according to the board's assessment, substantial potential to grow exponentially in the coming years. The market for dendritic polymers is spread across a wide array of industries, particularly the pharmaceutical industry, in MedTech and BioTech, and the chemical and material industries. Dendritic polymers are used as drug carriers, in diagnostics, and are increasing in demand because of their amplification properties. The flexibility of structurally flawless dendritic materials means that they can be applied in a range of environments, which also makes it difficult to estimate a precise market size, since this may change over time as innovation takes place and new applications are discovered.

In the nanomedicine sector alone, of which dendrimers is one of the nanotechnology pillars, the market was valued to EUR 146 billion in 2019<sup>22</sup> with double digit CAGR. The major clinical indications of nanomedicine include cardiovascular, anti-inflammatory, neurology and oncology. Considering the many other industries and areas of application for dendritic materials, beyond nanomedicine, there is potentially a significantly larger market for Polymer Factory than described here. A snapshot of current dendrimer technology in clinical indication-oriented market segments is as follows:

- PAMAM Dendrimer Technology for enhanced radial partition immunoassays that addressed unmet needs in the rapid point-of-care emergency diagnosis of cardiovascular infarctions. Estimated USD 1 billion/year market<sup>23</sup>. The assays are commercially provided by Siemens and also referred to as Stratus CS Acute Care Diagnostic System.
- Polylysine Dendrimer Technology as antiviral topical product (Vivagel®) for the prevention and treatment of HIV, HSV and HPS. Estimated global market over USD 1 billion/year<sup>24</sup>. Provided by Starpharma Holdings.
- Polylysine Dendrimer Technology as antibacterial topical product (Vivagel®) for effective treatment of bacterial vaginosis. Estimated global market over USD 1.75 billion/year<sup>25</sup>. Provided by Starpharma Holdings.

### Competition – dendritic materials

There are very few companies that provide dendritic materials and globally only three can be considered as competitors to Polymer Factory and which focus on Dendritic Materials as their core business. These are the US-based Dendritech Inc. that provides Polyamide Amine dendrimers (PAMAMs), France-based COLCOM that provides Dendri-Graft Poly-L-Lysine (DGL), and Australian-based Starpharma Holding Limited with focus on nanomedicines based on Poly-L-Lysine (PLL) dendrimer technology. Starpharma Holding Limited is the largest of the companies focusing on dendritic technology, with a market cap of approx. EUR 380 million. Their success has been due to the launch of the clinically approved Vivagel® product line. The US-based Dendritech Inc. is a privately held company that was founded in 1992, with an estimated revenue of approx. EUR 12 million in 2020. Their PAMAM dendrimer technology is well established, however, it has been shown that the

PAMAM dendrimers are accompanied with toxicity hurdle, potentially limiting their use as carriers in the field of nanomedicines<sup>26</sup>. In comparison to above mentioned companies, Polymer Factory has the largest portfolio of dendritic material comprising dendrimer, dendrons, hyperbranched polymers, multifunctional PEGs as well as the uprising DNG technology. In the board's opinion, Polymer Factory's product portfolio has a collectively larger window of potential end-applications across different markets than existing competitors with focus on dendritic nanotechnologies.

### The market for calibrants

There is an ever more growing need to detect the presence of, as well as to quantify, trace level concentrations of chemical and biological substances in water, food, commercial/industrial products, and biological samples from patients. For example, quantifying the levels of pesticides in food, levels of active pharmaceutical ingredients or the residual solvents in medications are all important topics for manufacturers in order to follow national and international regulations. Additionally, the detection and identification of biomarker fingerprints from the analysis of complex biological samples such as blood serum, swabs and cell cultures is a critical stage in many clinical diagnostic procedures. Because of the high sensitivity and accuracy of modern mass spectrometry (MS) instruments, several MS technologies have become benchmark techniques for the analysis of biomolecules (DNA, proteins, peptides, carbohydrates, antibodies), synthetic products, and a powerful tool for testing in various fields and industries such as biochemistry, clinical virology/microbiology/diagnostics (cancer detection, sepsis, bacteria, viral diseases), and drug discovery. This, coupled with sharper regulations, is driving market growth.

The Board estimates the total calibrant market for MS instruments to be approximately EUR 380 million.<sup>27</sup>

According to new market validation, conducted by the Company in 2020, and as part of SME Instrument Phase I project, around 75% of end-users approached are keen to replace their existing State-of-Art calibration standards with improved counterparts. Additionally, only about 12% of end-users are "very satisfied" with their existing calibration system, suggesting that there is a significant market potential for SpheriCal®.

### Competition – MS calibration

Established MALDI calibration standards consist of biologically isolated proteins and peptides, whereas IM-MS and ESI instruments are usually calibrated using synthetic polymer standards. For SpheriCal® MALDI, competing calibration standards are ProteoMass™ provided by MERCK KGaA and Bacterial Test Standard provided by Bruker, while the competing ESI and IM-MS standards, Ultramark 1621 and Major Mix, are provided by Waters Corp. Interestingly, all the above-mentioned competitors as well as other dominant OEMs are in close discussion with the Company regarding the use of SpheriCal® as the next generation calibrants across different MS techniques. In the board's opinion, the SpheriCal® patent portfolio will protect the Company from potential future infringement from competitors that intend to launch Dendrimer Calibrants for the MS market.

27. Global Mass Spectrometry Calibration Standards Market, 2016-2025, Zion Market Research.

# OPERATIONAL AND FINANCIAL OBJECTIVES

## Mission

Transform dendritic nanomaterials to mature innovations that fulfill technologically demanding sectors.

## Vision

Global generator of groundbreaking dendritic technologies that accelerate innovations in high performance material and life science sectors.

### 2021 – SPHERICAL®

- The Company will continue to work with researchers at KTH Royal Institute of Technology and Tulane University to scientifically verify SpheriCal® as cutting-edge calibrant for Electrospray Ionization Mass Spectrometry (ESI-MS). A scientific publication has been submitted by KTH researchers detailing promising performance of SpheriCal® as new generation of calibrants for ESI-MS.
- In 2020, the Company submitted a Vinnova Medtech4Health application together with collaborators at KI and KTH. The application focuses on introducing SpheriCal® (MALDI) as a state-of-the-art standard for early detection of neurodegenerative diseases including Alzheimer. Decision to be received in April 2021.
- In 2020, the Company initiated collaboration with established global OEMs. The targeted objective is to intensify the collaboration with both corporations on SpheriCal® (MALDI) and towards several clinically valid high-volume applications.
- Sign a partnership agreement with global OEM on SpheriCal® (MALDI) to be used as preferred standards and as critical component in an assay for a defined clinical infection application. The Company is already in in-depth discussions regarding the foundation of such agreement.
- Expand the sales of SpheriCal® to OEMs and beyond the Company's own channels or through the reseller MERCK KGaA.
- Increase own and MERCK's sales activities of available SpheriCal® products.
- Sign an additional partnership agreement by the end of 2021 with global OEM with SpheriCal® as their preferred calibrant for MALDI MS instruments.

### 2021 – DNG-PRODUCTS AND DENDRITIC AMPLIFIERS

- The Company will continue to work with researchers at KTH to scientifically verify the uniqueness of the DNG technology. Recently, the KTH-group published a paper in the prestigious journal Advanced Functional Material showcasing the performance of DNG technology to encapsulate and deliver hydrophobic antibiotics for efficient treatment of infections.
- Increase sales of the Company's dendritic amplifiers to application-driven companies.
- Expand the portfolio of dendritic amplifiers to match the customer demand and increase sales.
- Secure an NDA with at least one Big Pharma, MedTech or BioTech company with focus on dendritic amplifiers for product enhancement. The Company is currently in discussion with at least two companies on potential customized projects with focus in diagnostics and novel vaccine delivery.
- Continue the IPR protection process of the DNG technology.
- Start production of prototypes of the Company's new DNG technology and in parallel pursue discussions with the Company's large pool of customers on interest for evaluation of prototypes.

### 2021 – CONTRACT RESEARCH OBJECTIVES

- Secure at least one R&D-project with global company based on the Company's expertise in the production of novel polymers. The Company has recently signed such an agreement with Alfa Laval.



## 2021 – ORGANIZATIONAL OBJECTIVES

- To increase the sales activities, the Company will strengthen its organization by hiring a CEO and CSO. The current CEO will continue to be part of the Company's management as CTO.
- To match the need from customers, the Company will hire (i) one MS application specialist for the development of SpheriCal® products, (ii) one production manager to upscale the production of dendritic materials and DNGs.
- Secure new MS lab at Greenhouse labs dedicated to SpheriCal® product development.

## 2022 – SPHERICAL®

- Increasing sales of SpheriCal® (MALDI) through MERCK KGaA and two global OEMs by expanding the number of clinically valid applications in which SpheriCal® (MALDI) becomes the preferred standard.
- Sign agreement with at least one distributor or major OEM concerning SpheriCal® (ESI) products.
- Initiate production of the first prototype of SpheriCal® (IMMS) calibrant for beta-testing by MS specialist across different sectors.
- Pursue agreement discussion with MERCK KGaA and Waters Corp regarding sales of SpheriCal® (IM-MS).
- Sign a third agreement with an additional multinational OEM for SpheriCal® (MALDI) to be the standard calibrant in their MALDI instruments.

## 2022 – DNG-PRODUCTS AND DENDRITIC AMPLIFIERS

- Expand the portfolio by launching the next generation dendritic amplifiers.
- Secure at least one partnership agreement with Big Pharma, MedTech or BioTech company with focus on dendritic amplifiers for product enhancement.
- Secure and maintain IPR protection of the DNG technology.
- Scale-up and launch of the Company's DNG technology.
- Initiate necessary ISO.
- Secure at least one NDA with Big Pharma, MedTech or BioTech company with focus on DNGs for product enhancement.

## 2022 – ORGANIZATIONAL OBJECTIVES

- Initiate QMS, ISO and CRM certification process for the Company's products and for regulatory demanding sectors. The goal is to secure necessary accreditations by 2023.

### FINANCIAL OBJECTIVES

2021

2022-2023

#### REVENUE

Approx. SEK 4-5 million

- Double-digit growth, year on year.
- Goal to reach approx. SEK 20 million in 2023

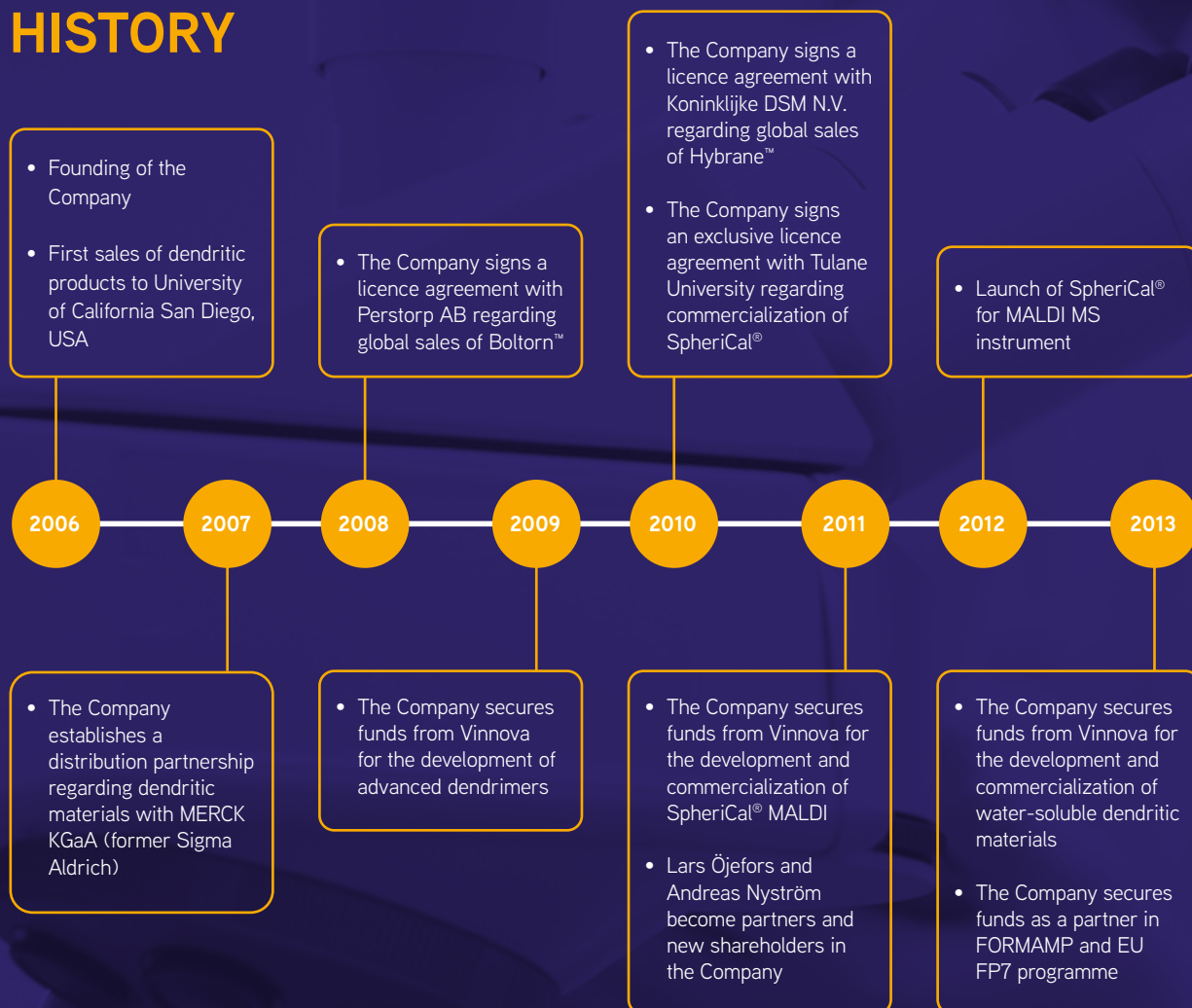
## MORE ABOUT THE BUSINESS

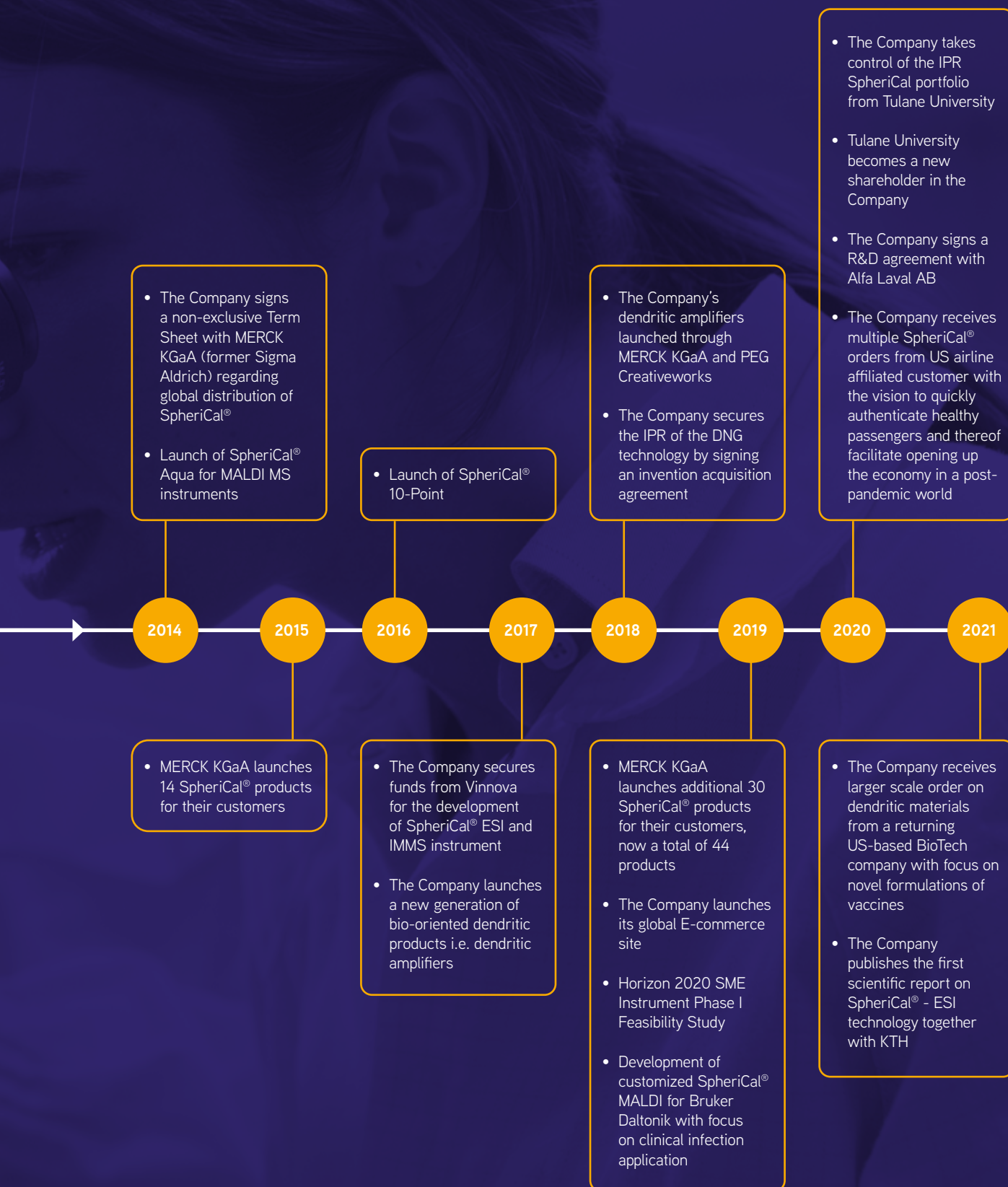
Polymer Factory is a company located in Stockholm and is a global provider of the world's largest product portfolio of dendritic materials. Polymer Factory was founded in 2006 by scientists at KTH Royal Institute of Technology, Sweden's largest engineering university, and its portfolio is at present based on two major segments: dendritic materials and its patented calibration technology, SpheriCal®.

### Group relations and shareholding

Polymer Factory has no subsidiaries and is not part of any group. The Company does not hold any shares in any company.

# HISTORY





## SIGNIFICANT AGREEMENTS

Polymer Factory signed two agreements with chemical producers, one with Perstorp AB in 2008 and one with Koninklijke DSM N.V. in 2010, allowing the Company to access Hyperbranched Polymers (Boltorn™, Hybrane™ and Helux) in kilogram scale from the manufacturers. The producers provide products to Polymer Factory, whereby the Company carefully characterizes the products, further modify and sells them to its customers. The agreements signed with Perstorp AB and Koninklijke DSM N.V are continuous and gives the Company the right to conduct further R&D on the Hyperbranched Polymers as well as secure IPR if such is deemed important for the Company. In the event a customer is interested in ton scale on a yearly basis, the producers will take responsibility in providing the Hyperbranched Polymers to the customers. The agreement with Perstorp AB gives both parties 10-15% in royalty on net sales based on Boltorn™ products. The agreement with DSM includes a 5% royalty compensation to Polymer Factory as a success fee on sales from DSM to customers that has been directed by the Company to DSM.

The Company has also a signed term sheet with MERCK KGaA related to SpheriCal® (MALDI), allowing MERCK KGaA to distribute over 40 different SpheriCal® (MALDI) products to customers, world-wide. The agreement with MERCK KGaA is continuous and can be terminated on a yearly basis.

In 2018, the Company signed a royalty-based invention acquisition agreement with the inventors regarding the DNG technology allowing Polymer Factory to further exploit the commercialization of the DNG technology. The inventors of the DNG technology can receive a maximum of 6% in royalty on net sales for DNG products. Polymer Factory signed in 2020 an agreement with Tulane University to take over the ownership of the SpheriCal® patent portfolio including four patent families. The agreement ensures that the Company has the right to accept or reject any new IPR generated by Tulane University that is related to SpheriCal® technology. Upon acceptance, Tulane University takes full responsibility to secure the patents while Polymer Factory takes responsibility to maintain the patents in designated countries and commercialize the inventions. The agreement with Tulane University is continuous and bound to a royalty clause in which the University receives maximum 5% on net sales for SpheriCal® products and only if they are covered by the SpheriCal® patents.



# BOARD OF DIRECTORS AND CEO

Below you will find Polymer Factory's Board of Directors and management. All of them can be reached via the Company's head office address (Teknikringen 48, 114 28 Stockholm, Sweden).

## EVA MALMSTRÖM - CHAIRPERSON OF THE BOARD SINCE 2014 (BOARD MEMBER SINCE 2006)

Eva Malmström is a Professor of Coating Technology at KTH Royal Institute of Technology, Stockholm, Sweden with a long experience in polymer synthesis and a co-founder of Polymer Factory Sweden AB. She was appointed deputy president of KTH between 2009-2016. Currently, she is the head of Division of Coating technology and a board member of several companies and associations. She was currently ranked on Stanford University's list of the world's top 2% scientists in the field of Polymers. Malmström is an elected member of the Royal Swedish Academy of Engineering Sciences (IVA).

### Board assignments over the last five years

Company	Position	Period
Polymer Factory	Chairperson of the Board	Ongoing
Tom Tits Experiment Aktiebolag	Board Member	Ongoing
Örebro University	Board Member	Ongoing
Kunskapsskolan i Sverige AB	Board Member	Ongoing
Medborgarskolan	Board Member	Ended
Swedish Institute for Standards (SIS)	Board Member	Ended
KTH Executive School	Board Member	Ended

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
Polymer Factory	16.49	16.49	Ongoing

### Compulsory liquidation and bankruptcy in the last five years

Eva Malmström has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.

## MICHAEL MALKOCH - BOARD MEMBER SINCE 2006 AND CEO SINCE 2014

Michael Malkoch is a Professor in Functional Organic Nanomaterials at KTH Royal Institute of Technology and a self-made entrepreneur with focus on advanced nanomaterials suited for medical and biomedical applications. As a leading expert in the field with a vast “know how” experience in the scalable synthesis of well-defined polymers and their final tuning to fit the choice of application. He holds several prestigious awards that focus of dendritic materials and their exploitation as precision polymers in currently recognized bottlenecks of the healthcare sector including polymer therapeutics, diagnostic tools, tissue adhesives and regenerative scaffolds. Malkoch will step down from his role as CEO in April 2021, when his successor assumes the position, but will continue his strong commitment in the Company through the board of directors and as CTO of the Company.

### Board assignments over the last five years

Company	Position	Period
Polymer Factory	Board Member and CEO	Ongoing
Biomedical Bonding AB	Chairperson of the Board & CEO	Ongoing
SCEM Consulting AB	Chairperson of the Board	Ongoing
Sentigel AB	Board Member	Ongoing

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
Polymer Factory*	28.13	28.13	Ongoing
Biomedical Bonding AB*	75.47	75.47	Ongoing
SCEM Consulting AB	90	90	Ongoing
Sentigel AB*	32	32	Ongoing

\* The shares are owned via SCEM Consulting AB.

### Compulsory liquidation and bankruptcy in the last five years

Michael Malkoch has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.

## MATS WALLNÉR - BOARD MEMBER SINCE 2006

Mats Wallnér has a M.Sc. in chemical engineering and MBA and is a co-founder of Polymer Factory. In his early years, Mats worked in the Alfa-Laval group as a sales engineer for fermentation facilities with responsibility for several international markets, primarily the United States. Mats had also taken on the responsibility as a business area manager for food, chemicals and cellulose industries in North and South America for the AGA group. He was the managing director for a leading incubator based in Stockholm with a business strategy to support and develop newly started companies coming from Universities. Today, he is a business coach, board professional and hands-on investor in several companies.

### Board assignments over the last five years

Company	Position	Period
Polymer Factory	Board Member	Ongoing
NordicBlue AB	Board Member & CEO	Ongoing
SCS Engineering AB	Chairperson of the Board	Ongoing
VixiMed AB	Chairperson of the Board	Ongoing

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
Polymer Factory*	18.43	18.43	Ongoing
NordicBlue AB	50	50	Ongoing
SCS Engineering AB*	33.14	33.14	Ongoing
VixiMed AB*	20.75	20.75	Ongoing

\* The shares are owned via NordicBlue AB.

### Compulsory liquidation and bankruptcy in the last five years

Mats Wallnér has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.

## ANDERS HULT - BOARD MEMBER SINCE 2006

Dr. Anders Hult received his PhD in Polymer Technology in 1982 from the KTH Royal Institute of Technology. He joined the Department of Polymer Technology at KTH as research associate (1984-1986) and associate professor (1986). Shortly after, in 1988, he attained full professor status. Between 1999 and 2004, Dr. Hult served as Dean of the School of Chemistry, Chemical Engineering and Biotechnology at KTH. He was also a visiting professor at Ecole Polytechnique Federale de Lausanne (EPFL) in Lausanne, Switzerland in 1993 and University of Texas, Austin, USA in 2004. He has published over 200 papers and has successfully filed 9 patents.

### Board assignments over the last five years

Company	Position	Period
Polymer Factory	Board Member	Ongoing
RADOC HANDELSBOLAG	Partner	Ongoing
Biomedical Bonding AB	Deputy Board Member	Ended

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
Polymer Factory	26.19	26.19	Ongoing
RADOC HANDELSBOLAG	n/a	n/a	Ongoing

### Compulsory liquidation and bankruptcy in the last five years

Anders Hult has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.



## LEIF GUSTAFSSON - BOARD MEMBER SINCE 2020

Gustafsson has been a practicing lawyer since the 1970s mainly in the area of business law. He graduated from University of Stockholm, law faculty, and University of Amsterdam in European integration. He has worked at the ministry of justice as assistant, and at various municipal courts and the legal service of the EU Commission. From 1977 he has worked in law firms in Sweden and Belgium, the latest Baker & McKenzie, a global law firm (as partner and senior counsel). He has written several publications on International Business Law and been a frequent lecturer on topics of law and finance. He has led transactions in a number of business sectors and has served on board of directors, engaged in e.g. aviation, finance, transport, logistics, finance and other areas.

### Board assignments over the last five years

Company	Position	Period
Polymer Factory	Board Member	Ongoing
Brf Sibyllegatan 14	Deputy Board Member	Ongoing
Guardio Safety AB	Externally authorized signatory	Ended
Samsonite Aktiebolag	Deputy Board Member & Special Recipient of Information	Ended

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
-	-	-	-

### Compulsory liquidation and bankruptcy in the last five years

Leif Gustafsson has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.

## ELIN MIGNÉRUS - INCOMING CEO (APRIL 2021)

Elin Mignérus was most recently CEO of CathPrint AB, a company that designs and manufactures technology that can rationalize existing catheters. In 2020, she was named as one of Sweden's most inspiring entrepreneurs by Företagarna and ALMI. Mignérus has an M.Sc. in Biomedical Engineering and Technopreneurship from KTH Royal Institute of Technology and the National University of Singapore.

### Board assignments over the last five years

Company	Position	Period
-	-	-

### Co-ownership above 10% in the last five years

Company	Capital (%)	Votes (%)	Period
-	-	-	-

### Compulsory liquidation and bankruptcy in the last five years

Elin Mignérus has not for the past five years been active in companies that have suffered bankruptcy, been placed in compulsory liquidation or placed under bankruptcy administration.

## OTHER INFORMATION ABOUT THE BOARD OF DIRECTORS AND MANAGEMENT

All Board Members are elected to the next Annual General Meeting. A board member has the right to resign at any time. The Board's work follows the Board's established rules of procedure. The CEO's work is regulated by instructions for the CEO. Both the rules of procedure and instructions are established annually by the board of Polymer Factory. Issues relating to audit and remuneration issues are decided directly by the Polymer Factory Board.

None of the Board members or management have been convicted in fraud-related cases during the past five years, nor have they been banned from doing business during the past five years. There are no accusations or sanctions from authorized organizations (including approved professional associations) against these persons and none of these persons has during the last five years been legally prohibited from being part of administrative, management or supervisory bodies, or from having leading or principal functions in companies. There are no agreements between the Company and any board member or management executive that give this person right to any benefit after the assignment ends in addition to what is stated under the heading "Remuneration to the board and management".

### Remuneration to the Board of Directors and management in Polymer Factory during 2019

Name	Basic Salary	Board fees	Variable fees	Pension costs	Sum
Eva Malmström <sup>1</sup>	0	0	0	0	0
Michael Malkoch <sup>2</sup>	0	0	384,000	0	384,000
Mats Wallnér <sup>3</sup>	0	0	0	0	0
Anders Hult <sup>3</sup>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>384,000</b>	<b>0</b>	<b>384,000</b>

### Remuneration to the Board of Directors and management in Polymer Factory during 2020

Name	Basic Salary	Board fees	Variable fees	Pension costs	Sum
Eva Malmström <sup>1</sup>	0	0	0	0	0
Michael Malkoch <sup>2</sup>	0	0	477,000	0	477,000
Mats Wallnér <sup>3</sup>	0	0	80,000	0	80,000
Anders Hult <sup>3</sup>	0	0	0	0	0
Leif Gustafsson <sup>4</sup>	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>557,000</b>	<b>0</b>	<b>557,000</b>

1. Chairperson of the Board, 2. Board member & CEO, 3. Board member, 4. Board member (since December 2020)

Incoming CEO Elin Mignérus will receive a monthly salary of SEK 60 thousand.

# FINANCIAL OVERVIEW

Polymer Factory is not part of any group and does not have any subsidiaries. The accounting in this memorandum therefore applies exclusively to Polymer Factory Sweden AB with organizational number 556695-9531. The financial overview presents financial accounts obtained from the Company's annual reports for the fiscal years 2018-01-01 – 2018-12-31, 2019-01-01 – 2019-12-31 and 2020-01-01 – 2020-12-31, which are incorporated by reference. The cash flow statement for 2018, 2019 and 2020 have been prepared for the purpose of being included in this memorandum and have all been reviewed by the Company's auditor. The Company has not made public any interim reports since the publication of the most recent audited annual report.

Financial key figures are presented in the memorandum. These financial key figures have not been reviewed or audited by the Company's auditor. Polymer Factory's view is that these key figures are used by some investors, securities analysts and other stakeholders as complementary measures of profit development and financial position.

The key figures are intended to contribute to an increased understanding of the Company's financial position and provide a good overview of the Company's financial condition.

## ACCOUNTING PRINCIPLES

The financial statements are prepared in accordance with the Swedish Annual Accounts Act and the standards of the Swedish Accounting Standards Board (BFNAR 2012:1) (K3).

Please note that the Company's audited annual reports for 2018 and 2019 were prepared in accordance with (BFNAR 2016:10) (K2). In order to comply with Spotlight Stock Market regulations, and for the purpose of being included in this memorandum, financial accounts obtained from the annual reports for 2018 and 2019 have been updated in accordance with (BFNAR 2012:1) (K3) and have been reviewed by the Company's auditor.

## DOCUMENTS INCORPORATED WITH RESPECT TO HISTORICAL INFORMATION

Historical financial information is incorporated via reference (see below). Incorporated documents must be read as part of the memorandum. Documents incorporated by reference are available at the Company's office (Teknikringen 48, 114 28 Stockholm, Sweden) and website ([www.polymerfactory.com](http://www.polymerfactory.com)).

## INCORPORATED VIA REFERENCE

- Annual financial accounts Polymer Factory Sweden AB 2018-01-01 – 2018-12-31.
- Annual financial accounts Polymer Factory Sweden AB 2019-01-01 – 2019-12-31.
- Annual report Polymer Factory Sweden AB 2020-01-01 – 2020-12-31.

## KEY FIGURES AND SELECTED FINANCIAL POSTS\*

(SEK)	2020-01-01 – 2020-12-31	2019-01-01 – 2019-12-31	2018-01-01 – 2018-12-31
Net sales	1,383,565	1,942,779	2,123,733
Profit after financial items	-581,308	491,540	302,594
Total assets	3,502,251	2,478,648	2,129,585
Equity / assets ratio (%)	75	82	77

\* The table has not been reviewed by the Company's auditor.

## INCOME STATEMENT

(SEK)	2020-01-01 –2020-12-31 (Audited)	2019-01-01 –2019-12-31 (Audited)	2018-01-01 –2018-12-31 (Audited)
<b>Revenue</b>			
Net sales	1,383,565	1,942,779	2,123,733
Change in inventories of products in progress, finished goods and work in progress	101,274	381,971	23,631
Other revenue	264,758	927,566	577,322
<b>Total revenue, inventory changes, etc.</b>	<b>1,749,597</b>	<b>3,252,316</b>	<b>2,724,686</b>
<b>Operating expenses</b>			
Goods for resale	-33,437	-188,365	-178,764
Other external expenses	-1,431,825	-1,480,274	-1,240,284
Staff costs	-715,328	-1,074,177	-979,432
Depreciation and amortization of property, plant and equipment and intangible fixed assets	-116,679	-	-
Other operating expenses	-29,850	-17,674	-23,518
<b>Total operating expenses</b>	<b>-2,327,119</b>	<b>-2,760,490</b>	<b>-2,421,998</b>
<b>Operating profit/loss</b>	<b>-577,522</b>	<b>491,826</b>	<b>302,688</b>
<b>Financial items</b>			
Interest expenses and similar items	-3,786	-286	-94
<b>Total financial items</b>	<b>-3,786</b>	<b>-286</b>	<b>-94</b>
<b>Total after financial items</b>	<b>-581,308</b>	<b>491,540</b>	<b>302,594</b>
<b>Year-end appropriations</b>			
Change in tax allocation reserve	291,000	-126,000	-
<b>Total year-end appropriations</b>	<b>291,000</b>	<b>-126,000</b>	<b>-</b>
<b>Profit/loss before taxes</b>	<b>-290,308</b>	<b>365,540</b>	<b>302,594</b>
<b>Taxes</b>			
Tax on profit/loss for the year	-	-81,424	-72,223
<b>Profit/loss for the year</b>	<b>-290,308</b>	<b>284,116</b>	<b>230,371</b>



## BALANCE SHEET

(SEK)	2020-01-01 – 2020-12-31 (Audited)	2019-01-01 – 2019-12-31 (Audited)	2018-01-01 – 2018-12-31 (Audited)
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Concessions, patents, licenses, trademarks, and similar rights	1,050,114	29,293	29,293
<b>Total fixed assets</b>	<b>1,050,114</b>	<b>29,293</b>	<b>29,293</b>
<b>Current assets</b>			
<i>Inventory, etc.</i>			
Finished goods and commodities	1,470,759	1,369,485	987,514
<b>Total inventory etc.</b>	<b>1,470,759</b>	<b>1,369,485</b>	<b>987,514</b>
<i>Current receivables</i>			
Accounts receivables	349,917	349,110	185,992
Tax receivables	18,565	-	-
Other receivables	87,866	370,276	40,290
Prepaid expenses and accrued income	9,576	36,875	66,145
<b>Total current receivables</b>	<b>465,924</b>	<b>756,261</b>	<b>292,427</b>
<i>Cash and bank</i>			
Cash and bank	515,454	323,608	820,351
<b>Total cash and bank</b>	<b>515,454</b>	<b>323,608</b>	<b>820,351</b>
<b>Total current assets</b>	<b>2,452,137</b>	<b>2,449,354</b>	<b>2,100,292</b>
<b>TOTAL ASSETS</b>	<b>3,502,251</b>	<b>2,478,647</b>	<b>2,129,585</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	100,00	100,000	100,000
Unregistered share capital	1,137,500	-	-
Accumulated profit or loss	1,694,644	1,410,528	1,180,157
Result of the year	-290,308	284,116	230,371
<b>Total equity</b>	<b>2,641,836</b>	<b>1,794,644</b>	<b>1,510,528</b>
<b>Untaxed reserve</b>			
Tax allocation reserve	-	291,000	165,000
<b>Total untaxed reserves</b>	<b>-</b>	<b>291,000</b>	<b>165,000</b>
<b>Current liabilities</b>			
Advance payments from customers	-	-	4,737
Accounts payable	462,615	8,928	21,723
Tax payable	-	66,550	28,298
Other payables	15,206	28,506	30,699
Accrued expenses and deferred income	382,594	289,019	368,600
<b>Total current liabilities</b>	<b>860,415</b>	<b>393,003</b>	<b>454,057</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,502,251</b>	<b>2,478,647</b>	<b>2,129,585</b>

## CHANGES IN EQUITY

### 2020-01-01 – 2020-12-31 (AUDITED)

	Share capital	Unregistered share capital	Accumulated profit or loss	Result of the period	Total
Amount at the beginning of the year	100,000		1,410,528	-284,116	1,794,644
Profit/loss brought forward			284,116	-284,116	0
Share issue		1,137,500			1,137,500
Results for the year				-290,308	-290,308
<b>Amount at the end of the year</b>	<b>100,000</b>	<b>1,137,500</b>	<b>1,694,644</b>	<b>-290,308</b>	<b>2,641,836</b>

### 2019-01-01 – 2019-12-31 (AUDITED)

	Share capital	Accumulated profit or loss	Result of the period	Total
Amount at the beginning of the year	100,000	1,180,157	230,371	1,510,528
Profit/loss brought forward		230,371	-230,371	0
Results for the year			284,116	284,116
<b>Amount at the end of the year</b>	<b>100,000</b>	<b>1,410,528</b>	<b>284,116</b>	<b>1,794,644</b>

### 2018-01-01 – 2018-12-31 (AUDITED)

	Share capital	Accumulated profit or loss	Result of the period	Total
Amount at the beginning of the year	100,000	1,179,358	799	1,280,157
Profit/loss brought forward		799	-799	0
Results for the year			230,371	230,371
<b>Amount at the end of the year</b>	<b>100,000</b>	<b>1,180,157</b>	<b>230,371</b>	<b>1,510,528</b>

## CASH FLOW STATEMENT

(SEK)	2020-01-01 –2020-12-31 (Audited)	2019-01-01 –2019-12-31 (Audited)	2018-01-01 –2018-12-31 (Audited)
<b>Operating activities</b>			
Operating profit/loss	-577,522	491,826	302,688
Adjustment for non-cash items	116,679	-	-
Interest paid	-3,786	-286	-94
Paid income tax	-	-81,424	-72,223
Cash flow from operating activities before changes in working capital	-464,629	410,116	230,371
<b>Cash flow from changes in working capital</b>			
Increase (-) / decrease (+) inventories and work in progress	-101,274	-381,971	-23,631
Increase (-) / decrease (+) accounts receivable	290,337	-463,834	114,549
Increase (+) / decrease (-) of current liabilities	467,412	-61,053	-175,587
<b>Cash flow from operating activities</b>	<b>191,846</b>	<b>-496,742</b>	<b>145,702</b>
<b>Cash flow for the year</b>	<b>191,846</b>	<b>-496,742</b>	<b>145,702</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>323,608</b>	<b>820,350</b>	<b>674,648</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>515,454</b>	<b>323,608</b>	<b>820,350</b>

## COMMENTS ON THE FINANCIAL DEVELOPMENT

### Turnover and operating results

For 2018, Polymer Factory's gross profit amounted to SEK 2,519,448. The result for 2018 was a profit of SEK 230,371. For 2019, Polymer Factory's gross profit amounted to SEK 3,032,951. The result for 2019 was a profit of SEK 284,116. For 2020, Polymer Factory's gross profit amounted to SEK 1,700,160. The result for 2020 was a loss of SEK -290,308.

### Assets and liabilities

Per December 31, 2018, the Company's balance sheet amounted to SEK 2,129,585. The assets consisted primarily of inventory dendritic materials totaling SEK 987,514. The Company's cash amounted to SEK 820,351. The equity and liabilities consisted primarily of equity totaling SEK 1,510,528 and current liabilities of SEK 454,057. Per December 31, 2019, the Company's balance sheet amounted to SEK 2,478,647. The assets consisted primarily of inventory dendritic materials totaling SEK 1,369,485. The Company's cash amounted to SEK 323,608. The equity and liabilities consisted primarily of equity totaling SEK 1,794,644 and current liabilities of SEK 393,003. Per December 31, 2020, the Company's balance sheet amounted to SEK 3,502,251. The assets consisted primarily of inventory dendritic materials totaling SEK 1,470,759. The Company's cash amounted to SEK 515,454. The equity and liabilities consisted primarily of equity totaling SEK 2,641,836 and current liabilities of SEK 860,415.

### Cash flow

Polymer Factory's cash flow from operating activities in 2018 amounted to SEK 145,702. This post was primarily affected by current liabilities. Polymer Factory's cash flow from financing activities in 2018 amounted to SEK 0. Polymer Factory's cash flow from operating activities in 2019 amounted to SEK -496,742. This post was primarily affected by account receivables, inventories and work in progress. Polymer Factory's cash flow from financing activities in 2019 amounted to SEK 0. Polymer Factory's cash flow from operating activities in 2020 amounted to SEK 191,846. This post was primarily affected by current liabilities and account receivables. Polymer Factory's cash flow from financing activities in 2020 amounted to SEK 0.

### Working capital

According to the Board of Director's assessment, the existing

working capital is not sufficient for the Company's current needs for at least 12 months from the date of this memorandum to execute the current strategy. The deficit amounts to approximately SEK 4.3 million. Working capital requirements are expected to arise in May 2021.

To provide the Company with working capital, Polymer Factory is carrying out an issue of units, which can provide the Company with a maximum of SEK 11.4 million (after compensation to bridge financiers and issue costs, but including bridge financing).

In order for the Company to raise sufficient working capital to be able to run its operations at a desirable pace for at least twelve months ahead, it is required that – after financing issue costs and compensation for bridge loan – the Company is provided with at least approximately SEK 8.8 million through the initial issue of units described in this memorandum.

In the event that the Company does not raise the above-mentioned capital after financing issue costs, the Company will investigate alternative financing options such as additional capital raising, grants or financing together with one or more partners or alternatively conduct the business at a lower rate than expected, until additional capital can be raised.

### Restrictions on the use of capital

There are no restrictions on use of capital.

### Auditor's report and negative remarks

No remarks.

### Significant changes in financial position

In order to maintain a high operational pace in Polymer Factory up until the issue, the Company has in February 2021 carried out a bridge financing of approximately SEK 1.8 million, with a premium to the bridge financiers of approx. 20 percent (corresponding to a total of approx. SEK 0.37 million). Both bridge financing and premiums will be fully set off against units in the subsequent IPO.

In addition to the above, there have been no significant changes regarding the Company's financial position since December 31, 2020, until the date of this memorandum.

### Investments

The table below shows carrying amounts regarding Polymer Factory's fixed assets. Intangible fixed assets mainly refer to patents and trademarks. Current assets consist primarily of inventory dendritic materials, SpheriCal® products, cash and accounts receivable. Historical investments have mainly been financed with own funds and grants. There have been no significant changes regarding the Company's financial position since 31 December 2020.

	2020-12-31	2019-12-31	2018-12-31
Intangible fixed assets	1,050,114	29,293	29,293
Current assets	2,452,137	2,449,354	2,100,292



## SHARE CAPITAL

- The share capital shall amount to a minimum of SEK 500,000 and a maximum of SEK 2,000,000.
- The number of shares shall amount to a minimum 5,000,000 and a maximum of 20,000,000.
- Registered share capital is SEK 515,500.
- Nominal value is SEK 0.10.
- The shares have been issued in accordance with the Swedish Companies Act (Aktiebolagslagen) and are issued in Swedish crowns (SEK).
- There is one type of share. Each share has equal rights to part of the Company's assets and earnings and entitles the holder to one vote at the Annual General Meeting. One share is equal to one vote.
- The Company's share register is kept by Euroclear Sweden AB, Box 191, 101 23 Stockholm. Shareholders in the Company will not receive any physical share certificate. All transactions with the Company's shares take place electronically through authorized banks and securities administrators. Newly issued shares are registered to the person in electronic format.
- Issuing agent and account administration is Nordic Issuing with postal address Norra Vallgatan 64, 211 22 Malmö, Sweden.
- The ISIN code for the share is SE0015244470.
- The shares trading ticker is POLYMER.

### Share capital development

Year	Event	Price per share	Nominal value	Increase in the number of shares	Increase in the share capital	Total amount of shares	Total share capital
2006	Company formation	100	100	1,000	100,000.00	1,000	100,000.00
2021	New share issue*	36,694	100	31	3,100.00	1,031	103,100.00
2021	Split (5000:1)	N/A	0.02	5,153,969	N/A	5,155,000	103,100.00
2021	Bonus issue	N/A	0.10	N/A	412,400.00	5,155,000	515,500.00
2021	Issue of units**	7.60	0.10	1,704,198	170,419.80	6,859,198	685,919.80
2022	Exercise of TO 1***	9.10	0.10	568,066	56,806.60	7,427,264	742,726.40

\* Issued to Tulane University to gain ownership of SpheriCal® patent portfolio

\*\* Given a fully subscribed issue of units.

\*\*\* Given a fully subscribed issue of units and fully subscribed warrant exercise of series TO 1.

### Warrant program

At the date of this document, there is no outstanding warrant program. However, the Board of Directors intends to establish a warrant program for the CEO and other employees in the Company. The terms of the warrant program are expected to be finalized after the forthcoming IPO and will be decided on at the Company's Annual General Meeting in 2021. The warrant program will be established in accordance with good practice.

### Authorization

In addition to the authorization from the Extraordinary General Meeting on the 18th of December on which the Board was authorized to decide on an issue of units, there are no authorizations.

### Other

- There are no new issues under registration at the date of this memorandum. There are also no outstanding convertibles or subscription rights.
- Apart from the authorization described above, there are no rights or obligations regarding decided but not implemented increase in share capital or a commitment to increase the share capital at the date of this memorandum.
- During the last and current financial year, no official takeover bids have been placed by any third party.
- All shares offered in this new issue will be newly issued. There are therefore no natural or legal persons offering to sell securities in this new share issue.

## ADDITIONAL INFORMATION

### Tendencies

The spread of covid-19 has affected Polymer Factory through both permanent and short-term layoffs of staff during the period February - December 2020. In other respects, the spread of the coronavirus has affected the Company in terms of dialogues with potential customers and partners being put on hold, as well as reduced R&D activity amongst these actors, resulting in a reduction in the amount of orders and consequently a negative impact on revenue for the financial year 2020 in comparison with 2019. There is a risk that future lockdowns imposed by the authorities have additional short-term effects on demand on the Company's products. Hence, the pandemic could cause negative financial impact for the Company. The development is closely monitored by Polymer Factory, and measures are taken if necessary. As far as the Board is aware, there are no other tendencies, uncertainties, potential receivables or other requirements, commitments or events that can be expected to have a significant impact on the Company's future prospects, at least not during the current financial year.

### Regulations

The Company intends to comply with all laws, statutes and recommendations that apply to companies listed on Spotlight Stock Market. In addition to Spotlight's regulations, the following regulations apply in relevant parts:

- The Swedish Companies Act (Aktiebolagslagen)
- Financial Instruments Trading Act (Lagen om handel med finansiella instrument)

### Auditor

The auditor of the Company is Öhrlings PricewaterhouseCoopers AB (Torsgatan 21, 113 97 Stockholm) with authorized auditor Niclas Bergenmo in charge.

### Employees

Below is a presentation of the number of employees in Polymer Factory in 2018, 2019 and 2020.

	2018	2019	2020
Women	0	0	0
Men	2	1	2
<b>Total</b>	<b>2</b>	<b>1</b>	<b>2</b>

### Transactions with related parties

During 2018, 2019, and 2020, no transactions with related parties have taken place except for what is stated below.

There is a consultancy agreement between the Company and SCEM Consulting AB, which is partly owned by Michael Malkoch, regarding services related to his role as CEO for the Company. During 2018, a total of SEK 360,000 has been invoiced under the agreement. During 2019, a total of SEK 384,000 has been invoiced under the agreement. During 2020, a total of SEK 384,000 has been invoiced under the agreement. Bonus has also been invoiced, amounting to SEK 80,107 for 2018 and a total of SEK 93,000 in 2020.

There is also a consultancy agreement between the Company and NordicBlue AB, partly owned by Mats Wallnér, member of the board of directors of the Company, regarding services relating to strategy and business development. During 2018, a total of SEK 6,000 has been invoiced under the agreement. During 2019, a total of SEK 0 has been invoiced under the agreement. During 2020, a total of SEK 80,000 has been invoiced under the agreement.

There was a consultancy agreement between the Company and Andreas Nyström Enskild Firma, owned by Andreas Nyström, larger shareholder in the Company, regarding services relating to business development. During 2018, a total of SEK 84,000 has been invoiced under the agreement. During 2019, a total of SEK 87,500 was invoiced under the agreement. The agreement has been terminated.

### Distribution of profit and voting rights, etc.

All shares in the Company entitles to dividends. Profit All shares in the Company entitles to dividends. Profit distribution for shares issued in the new share issue described in this memorandum will be paid on the record day for dividends that occurs after the registration of the share in the share register kept by Euroclear Sweden AB. The dividend is not of an accumulated nature. The right to dividends applies to investors who are registered as shareholders in the Company on the record date for the distribution of profit. There are no restrictions on dividends or special procedures for shareholders resident outside Sweden, and payment of any distribution of profit is intended to take place via Euroclear Sweden AB in the same manner as for shareholders resident in Sweden. The claim for dividends is limited after ten years. Dividends accrue to the Company after the limitation.

All shares carry an equal right to a dividend and to any surplus in the event of liquidation or bankruptcy. At the Annual General Meeting, each share in the Company gives one vote and each person entitled to vote may vote for his or her full number of shares without limitation. All shares provide shareholders with equal preferential right in the issue of warrants and convertibles to the number of shares they own. According to the Swedish Companies Act, a shareholder who directly or indirectly holds more than 90% of the share capital in a company has the right

to redeem the remaining shares from other shareholders in the company. Correspondingly, a shareholder whose shares can be redeemed is entitled to such redemption by the majority shareholder. The shares newly issued in the new share issue described in this memorandum are not subject to an offer made as a result of a bid obligation, redemption or resolution obligation. The Company is covered by take-over rules ("Rules concerning public takeover bids regarding shares in Swedish limited companies whose shares are traded on certain trading platforms"). According to these rules, a shareholder is obliged to publicly offer to acquire all other shares in a company in the event that the shareholder's holding of shares with voting rights reaches 30 percent. The Company may carry out a cash issue both with and without preference for existing shareholders. If the Company decides to issue new shares through a cash issue with preferential rights for existing shareholders, the owner of shares shall have a preferential right to subscribe for new shares in relation to the number of shares previously owned by the holder. There are no rights, other than the right to a dividend, to take part in the Company's profits. The Company has so far not paid any dividends. There are also no guarantees that any dividend will be proposed or decided in the Company for a certain year. The Company does not plan to pay any dividends in the near future. Proposals for any future dividends will be decided by the Board of Polymer Factory and then submitted for decision at the Annual General Meeting. The Company has no dividend policy.

### Interests in Polymer Factory

Sedermara Fondkommission is the financial advisor, MCL is the legal adviser, and Nordic Issuing is the issuing agent to Polymer

Factory in connection with the new share issue described in this memorandum. Sedermara does not own any shares in the Company but has the right to subscribe for shares in the new share issue described in this memorandum on the same terms as other subscribers. MCL does not own any shares in the Company, and does not intend to invest in the Company nor may it do so according to internal rules.

Sedermara Fondkommission and Spotlight Stock Market are two secondary names of ATS Finans AB. ATS Finans AB is a subsidiary of Spotlight Group AB, a company listed on Spotlight Stock Market. MCL and Nordic Issuing are also part of Spotlight Group AB. The close relationship between Sedermara, MCL, Nordic Issuing and Spotlight Stock Market entails a potential conflict of interest.

Persons in Polymer Factory's Board of Directors and the CEO have made subscription commitments in the current new share issue. Submitted subscription commitments are described in more detail in the section "Subscription commitments" in this memorandum. Furthermore, a number of board members in Polymer Factory own shares in the Company. Shareholdings for each person are presented in more detail in the section "Board and senior executives" in this memorandum.

Apart from what is stated above, there is no conflict of interest within administrative, management and control bodies or with other persons in senior positions in Polymer Factory, nor are there any other natural or legal persons involved in the issue who have financial or other relevant interests in the Company.

## OWNERSHIP

### Ownership list as of December 31, 2020

Part	Number of shares	Percentage of votes and capital (%)
Michael Malkoch <sup>1</sup> *	1,450,000	28.1
Anders Hult <sup>2</sup>	1,350,000	26.2
Mats Wallnér <sup>2</sup> **	950,000	18.4
Eva Malmström <sup>3</sup>	850,000	16.5
Andreas Nyström	200,000	3.9
Lars Öjefors	200,000	3.9
Tulane University	155,000	3.0
<b>Total</b>	<b>5,155,000</b>	<b>100.00</b>

1. Co-founder, CEO and Board Member

2. Co-founder, Board Member

3. Co-founder, Chairperson of the Board

\* Shares owned via SCEM Consulting AB

\*\* Shares owned via NordicBlue AB

### Ownership list by fully subscribed share issue

Part	Number of shares	Percentage of votes and capital (%)
Michael Malkoch <sup>1</sup> *	1,491,838	21.7
Anders Hult <sup>2</sup>	1,356,969	19.8
Mats Wallnér <sup>2</sup> **	966,734	14.1
Eva Malmström <sup>3</sup>	877,891	12.8
Andreas Nyström	201,392	2.9
Lars Öjefors	204,179	3.0
Tulane University	155,000	2.3
<i>Others</i>	<i>1,605,195</i>	<i>23.4</i>
<b>Total</b>	<b>6,859,198</b>	<b>100.00</b>

1. Co-founder, CEO and Board Member

2. Co-founder and Board Member

3. Co-founder and Chairperson of the Board

\* Shares owned via SCEM Consulting AB,

\*\* Shares owned via NordicBlue AB

### OTHER

- The Company has not been a party to any legal proceedings or arbitration proceedings (including pending cases or those of which the Board of Directors of Polymer Factory is aware) may arise during the past twelve months, and which have recently had or could have significant effects on Polymer Factory's financial position or profitability.
- The Board considers that Polymer Factory's current insurance coverage is satisfactory, given the nature and scope of the business.
- There are no special agreements between major shareholders, customers, suppliers, administrative, management and control bodies or other parties that include board members or other senior executives.
- There are at this stage no special systems for staff acquisition of shares or the like.
- In addition to lock-up agreements, there are no restrictions in the right to transfer the share freely.
- Please note that the Company's securities may have tax consequences for the holder. Holders of securities in the Company are recommended to seek advice from tax advisers regarding tax consequences that may arise in each individual case.

# TERMS AND CONDITIONS

## The offer

The board of directors of the Company decided February 11, 2021, based on authorization from the extraordinary general meeting December 1, 2020, on implementing a new issue of units. Existing shareholder, the public and professional investors are hereby invited to subscribe for units in the Company. The subscription period starts on February 25, 2021 and ends on March 11, 2021. The subscription price is SEK 22.80 per unit. The issue is conducted without preferential rights for existing shareholders. The reason to waive the shareholders preferential right is for the Company to be able to spread the ownership and to supply with working capital for business development and capital for expansion of the Company's business.

One (1) unit consists of three (3) shares and one (1) warrant of series TO 1. The price per unit is SEK 22.80, which equals to SEK 7.60 per share. The warrants are issued free of payment.

Through the issue the Company's share capital can increase by a maximum of SEK 170,419.80 through a new issue of a maximum of 1,704,198 shares, each with a nominal value of SEK 0.10.

The total issue proceeds are at maximum SEK 12,951,904.80. The maximum number of units that are issued through the issue is 568,066. Each unit consists of one (1) warrant. The maximum number of warrants of series TO 1 that will be issued is 568,066 warrants. If all warrants of series TO 1 are exercised during the exercise period for the warrants, the share capital will increase with an additional SEK 56,806.60.

## Subscription price

The subscription price is SEK 22.80 per unit, which equals SEK 7.60 per share. No brokerage fee will be charged. The minimum number of units which can be subscribed for is 240 units, which corresponds to a payment of SEK 5,472.00. If more than 240 units are subscribed for, subscription of and thereon after subscription may be made in any number of shares.

## Subscription period

The subscription period commences on February 25, 2021 and is ongoing until March 11, 2021.

## Warrants

One (1) warrant of series TO 1 entitles to subscription of one (1) new share to a subscription price of SEK 9.10 during the subscription period that starts on February 24, 2022 until March 17, 2022.

## Valuation

The Company's pre-money valuation amounts to SEK 39,178,000.00.

## Application for subscription of units

Subscription of units is done by filling out and signing the subscription form and must be Nordic Issuing at hand during the subscription period at the following address or by email. Please note that the subscription is binding.

Filled out subscription form must be Nordic Issuing at hand no later than March 11, 2021. Subscription forms sent by post ought to be sent in good time before the last day in the subscription period. The board of directors in the Company retain the right to prolong the period for subscription and payment. If a decision is made to prolong the subscription period, the Company will inform the public through a press release before the end of the subscription period.

It is only allowed to submit one (1) subscription form per subscriber. In case several subscription forms are submitted, only the last received will be considered. Incomplete or incorrectly completed subscription forms may be disregarded. No additions and changes may be made in the text printed on the subscription form.

Errand: Polymer Factory  
Nordic Issuing  
Stortorget 3  
211 22 Malmö, Sweden

Phone: +46 (0)40-632 00 20

E-post: [info@nordic-issuing.se](mailto:info@nordic-issuing.se) (scanned subscription form)

Subscribers must have an account directly registered in Euroclear Sweden's system ("Euroclear") or a securities account with a bank or other nominee to whom the delivery of shares and warrants can take place. Subscribers who do not have a VP account or securities account must open such accounts with Euroclear or with a bank or nominee before submitting the subscription form to Nordic Issuing. Note that this may take some time.

Note that anyone who has a custody account or account with specific rules for securities transactions, such as an investment savings account (ISK) or equity insurance account (KF), must check with the bank/nominee for the account, if, and if so how, the acquisition of securities within the framework for the offer is possible. In this case, the subscription must be made in agreement with the bank/nominee responsible for the account.

Subscription forms and memorandum will be available on Nordic Issuing's website ([www.nordic-issuing.se](http://www.nordic-issuing.se)), at Sedermera Fondkommission's website ([www.sedermera.se](http://www.sedermera.se)) and at the Company's website ([www.polymerfactory.com](http://www.polymerfactory.com)).

## Subscription above EUR 15 000

If the subscription amounts to, or exceeds, EUR 15 000 a money laundering form shall be filled out and sent to Nordic Issuing in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing. Please observe that Nordic Issuing cannot distribute any securities, even if payment have been received, before the money laundering form has been received by Nordic Issuing.



### Allocation

Allocation of units will be decided by the Company's board of directors, with the following principles:

- a. that full allocation shall be made to the parties who have signed subscription commitments;
- b. that it is necessary to broaden the Company's shares prior to the planned listing and, as far as possible the board of directors will ensure that each subscriber receives at least 240 units;
- c. that creating investment space for certain parties, which, according to the Board's assessment, can specifically contribute strategic values to the Company or is part of the Company's financial adviser's investment network. In the event of an oversubscription, no more than 10 percent of the new issue amount can be allocated to these investors.

If the number of subscribers in the new issue is exceeding the possible number of shareholders, and thus making it impossible to allocate each subscriber the minimum number of units, allotment of units will be decided by drawing of lots, which means that allocation can partly or entirely be made through random selection. This is a computerized process which relies on algorithms that randomly execute the drawing of lots and will be executed by the issuing agent in the new issue. This further means that allocation may happen with fewer units than subscribed for on the subscription form or no units at all. Allocation is not dependent on when the subscription form is submitted during the subscription period.

### Notification of allocation

Allocation of units is scheduled to be conducted as soon as possible after the subscription period has ended. The notification to the subscriber will be received in the form of a settlement note by e-mail which is scheduled to be sent out on March 16, 2021.

### Payment

Payment must be made in accordance with the settlement note. Payment must be made to a Swedish account in no later than four (4) days after transmitted settlement note. If payment or confirmation of payment is not made at the time stated on the settlement note, there may be a risk that allocated units will not be delivered in time for the listing date or a risk that the units are transferred to another party. Should the sale price of such transfer be below the subscription price of this offer, the original subscriber who acquired the shares may be responsible for all, or part of the difference.

### Delivery of shares and warrants

Shares and warrants will be delivered after the new issue have been registered with the Swedish Companies Registration Office (Sw. Bolagsverket) which is scheduled to take place in the end of March 2021. Please note that the units can be partly registered in different tranches at the Swedish Companies Registration Office.

### Trading in the share and warrants

At the date of this memorandum, the Company has been approved for listing by Spotlight Stock Market, with reservation for the spread requirement. The Company's shares will be traded on Spotlight Stock Market under the symbol "POLYMER" and with ISIN-code SE0015244470. The warrants will be traded on Spotlight Stock Market under the symbol "POLYMER T01" and with ISIN-code SE0015557293. All shares and warrants in the Company are scheduled to be admitted to trading on April 7, 2021. Settlement is performed in SEK. Prerequisite for listing is (i) Marketplace's spread requirements are met and (ii) the lowest level SEK 10,434,784.80 for the implementation of the new issue is achieved.

### Publication of the outcome of the new issue

As soon as possible after the subscription period has ended, the Company will publish the outcome of the new issue. The publication is scheduled to March 16, 2021 and will be made through a press release, which will be available on the Company's website.

### Right to dividend

The new shares entitle the shareholder to a dividend the first time after the new share issue has been registered with the Swedish Companies Registration Office. Any dividends are paid in SEK and is decided at the Annual General Meeting. The payment is provided by Euroclear or for nominee registered holdings in accordance with the respective bank/nominee's routines. Dividend is paid to the person who on the record day of the shareholders' meeting was registered as a shareholder in the share register held by Euroclear.

### Applicable law

The shares are issued under the Swedish Companies Act (2005:551) and governed by Swedish law.

### Shareholder's register

The Company is a Euroclear affiliated company. The Company's share register with information about shareholders is handled and accounted by Euroclear Sweden AB, Klarabergsviadukten 63, 111 64 Stockholm, Sweden.

### Shareholder's rights

Shareholders' rights regarding distribution of profits, voting rights, pre-emption rights for subscription of shares, etc. are governed by the Company's Articles of Association, which are available through the Company's website as well as by the Swedish Companies Act (2005:551).

### Restrictions regarding participation in the offer

Due to restrictions in applicable law in the United States, Canada, Australia, Hong Kong, Singapore, South Africa, Switzerland, New Zealand, Japan or other countries where participation requires further prospectuses, registrations or actions other than those under Swedish law, the offer to subscribe for units is not directed at persons or others with registered address in any of these countries.

### **Additional information**

The board of directors of the Company reserves the right to extend the subscription period and payment. The offer is conditional on the fact that no circumstances occur which may result in the timing of the new issuance being deemed inappropriate, such circumstances may, for example, be of an economic, financial or political nature and may relate to circumstances in Sweden as well as abroad, as well as the interest in participating in the new issue is deemed insufficient by the board of directors in the Company. In such cases, the board of directors will not complete the new issue. If the offer is revoked, this will be published through a press release no later than before the settlement notes are sent, which is scheduled to take place on March 16, 2021.

### **Financial adviser, legal adviser and issuing agent**

Sedermåra Fondkommission is financial adviser in connection with the new issue. Markets & Corporate Law Nordic AB is legal adviser, and Nordic Issuing is the issuing agent.

### **Other**

All shares that are offered through this new issue will be newly issued. There are no natural or legal persons offering to sell or loan shares in this new share issue.

In case any subscriber pays an excess amount for subscribed units, the exceeding amount will be refunded to the subscriber. Amounts below SEK 100 will not be refunded.

### **Questions regarding the new share issue**

Polymer Factory Sweden AB  
Phone: +46 (0)73-655 46 79  
E-mail: [info@polymerfactory.com](mailto:info@polymerfactory.com)

Nordic Issuing  
Phone: +46 (0)40-632 00 20  
E-mail: [info@nordic-issuing.se](mailto:info@nordic-issuing.se)

# RISK FACTORS

A number of risk factors can have a negative impact on the operations of Polymer Factory. It is therefore of great importance to consider relevant risks in addition to the Company's growth opportunities. Other risks are associated with the securities offered for sale through this memorandum. Risk factors are described below without mutual order and without claiming to be comprehensive. All risk factors cannot be assessed without an overall evaluation of other information in the memorandum together with a general assessment of the surrounding world.

## RISKS RELATED TO THE COMPANY'S OPERATIONS

### Financing and capital need

A delay in market breakthroughs in new markets could constitute a risk of weaker results than calculated in Polymer Factory, and a subsequent negative impact on profit, cash flow and liquidity. If the Company's entry to new markets is delayed, there is a risk that the Company may need additional capital to finance marketing activities and product development. There is a risk that additional capital cannot be acquired. There is also a risk that development may force the Company to carry out operations at a slower pace than desired, leading to a delay or loss of revenue. In the long run, there is a risk that the Company, if all financing fail, will become bankrupt.

*The issuer assesses the risk level as: medium.*

### Market Growth

The Company plans to embark on a market growth journey the coming years, becoming a global generator of dendric materials. In order to increase product sales, Polymer Factory will focus on marketing activities as well as strengthening the Company organization by hiring a new CEO and CSO (incoming CEO assumes her role on April 1, 2021). There is a risk that the Company's market growth will be delayed or absent, resulting in loss of revenue. There is a risk that rapid growth in the Company will cause problems at the organizational level. There are risks in recruiting the right staff members and there may be difficulties in successfully integrating new staff members into the organization, which may adversely affect the Company's operations, financial position, and results.

*The issuer asserts the risk level as: medium.*

### Objectives and milestones

Polymer Factory's Board of Directors believes that the Company is well suited to maintain a high growth rate and achieve its financial objectives. However, there is a risk that Polymer Factory's objectives will not be achieved within the time frame set and that it will take longer than planned to reach the milestones set by the Company's Board, which entails a risk that Polymer Factory's operations will be negatively affected in the form of lower revenues than calculated, or an increased need for capital to drive the business forward. If the Company's future products are not well received by the market or if the Company has difficulties in recruiting key personnel, there is a risk that objectives that require this will not be achieved within the established time frame,

which may adversely affect the Company's operations, financial position, and results.

*The issuer asserts the risk level as: medium.*

### Development costs

Polymer Factory has a product portfolio consisting of more than 300 products and the Company is accelerating the introduction of the recently developed nanocarrier platform based on dendric materials, Dendritic Nanogels (DNGs). Polymer Factory will continue to develop and further develop products within its business area. It is not possible to predict exact time and cost aspects for product development. This entails a risk that a planned product development will be more costly than planned, leading to negative consequences for the Company's operations and results. If the development of a new product takes longer than expected, there is a risk that it will lead to increased development costs and thereby a reduced operating profit for the Company.

*The issuer asserts the risk level as: medium.*

### Key staff and employees

Polymer Factory has since the foundation been dependent on highly qualified researchers to conduct its business. This means the Company relies on its key personnel who, at the date of this memorandum, consists of the Company's Board of Directors. There is a risk that a loss of one or multiple staff members would have adverse consequences for the Company's business operations and its financial results. There is a risk that Polymer Factory needs to recruit new staff to replace key personnel, which can be costly and time consuming. There is a risk that the Company will incur increased expenses as a result. There is also a risk that the Company cannot replace highly qualified staff members. The risk of unauthorized disclosure of information is also present, which would generate a risk that competitors may receive information about, and take advantage of, the knowledge developed by Polymer Factory. There is a risk that Polymer Factory's competitors, using such dissemination of information, will further develop their products and that the Company thereby faces increased competition, which may adversely affect the Company's operations, financial position, and results.

*The issuer assesses the risk level as: low.*

### Launching of new products

The Company offers more than 300 products and are broadening their product portfolio. There is a risk that the market will not accept future products that the Company launches, resulting in a loss of time and lower revenue for the Company. There is also a risk that the market will not find future products produced by the Company useful in the way the Company had intended, and / or a risk that the Company fails to explain the area of use for their new products. This could result in negative consequences for the Company in regards of sales profit and subsequent financial results.

*The issuer assesses the risk level as: low.*

### Competition

Parts of Polymer Factory's future sales operations is based on expected revenues from the patented calibration technology, SpheriCal®. There are already existing Mass Spectrometry (MS) instruments on the market, although not to the same standard as Spherical®, according to the Company's assessments. There is a risk that competitors, through widespread investments, develop their products, thus resulting in a loss in both competitive advantages and market value for the Company. If competitors develop products that are more competitive than Polymer Factory's products, there is a risk of worsening sales and worsening revenue opportunities, resulting in negative results for the Company.

*The issuer asserts the risk level as: low.*

### Currency risk

Polymer Factory's products is of interest for companies worldwide. There is a risk that part of the sales revenues will flow into international currency. Purchases of Polymer Factory's products is made in euro. There is a risk that currency exchange rates will be change significantly, and that Polymer Factory's revenues are adversely affected by changes in exchange rates. For example, if the Swedish currency (SEK), which is the Company's accounting currency, increases in value in relation to the euro, there is a risk that the Company's revenues will be reduced. This in turn entails a risk of a decline in operating profit for the Company.

*The issuer asserts the risk level as: low.*

### Patents

Polymer Factory's portfolio is partially based on patented technology. The Company has, at the date of this memorandum, two pending and two issued patents for SpheriCal® and one pending for Dendritic Nanogels (DNGs). There is a risk that the pending patents will not be approved. Furthermore, patents have a limited lifespan, and there is a risk that existing and / or future patents held by the Company will not constitute an adequate commercial protection. If Polymer Factory is forced to defend its patent rights against a competitor, there is a risk that this process will entail significant costs, which may adversely affect the Company's operations, revenues, and financial position. Polymer Factory competes with other companies in some areas of production. There is a risk that Polymer Factory infringes, or is alleged to infringe, patents held by third parties. There is also a risk that other patents held by other parties may limit the possibilities for one or more of Polymer Factory's future partners to freely use the Company's products. It is not possible to predict the outcome of disputes regarding patents in advance and there is a risk that negative outcomes of disputes will lead to lost protection, a ban on continuing to exercise the current right, or obligation to pay indemnity. In addition, the costs of a dispute, even in the event of a favourable outcome for Polymer Factory, can be significant. There is a risk that this will have a negative effect on the Company's revenues and financial position. There is a risk that the above mentioned will cause difficulties or delays in the commercialization of future products and thus also difficulties in generating revenue. Also, there is a risk that competitors will patent adjacent areas to Polymer Factory's existing patents,

resulting in competitors' products achieving the same effect as Polymer Factory's products. There is a risk that this means more difficult market conditions for Polymer factory, because of an increasingly competitive situation, which may have a negative impact on the Company's revenues and earnings.

*The issuer asserts the risk level as: low.*

### Significant agreements

Polymer Factory has several significant agreements enabling the Company to conduct its business. These agreements range from agreed upon access to Hyperbranched Polymers, to distribution agreements and invention acquisition agreements regarding the DNG technology. There is a risk that one or more entered agreements will be terminated with an adverse effect on the Company's capability and to meet customer demand, with negative consequences for the Company's operations and results. There is a risk the Company will face difficulties in finding comparable parties to sign new agreements with, and that such a process in any case will be time-consuming and costly for the Company, leading to subsequent negative results for the Company's operations and revenues.

*The issuer asserts the risk level as: low.*

### Disputes

There is a risk that Polymer Factory will be involved in disputes within the framework of normal operations and may be subject to claims regarding orders that have been made, product liability and alleged errors in deliveries of the Company's products. There is a risk that such disputes and allegations will be time consuming, disruptive to normal operations and lead to significant costs. It is not possible to predict the outcome of complex disputes. Disputes can thus have a negative impact on the Company's operations, profits, and financial position.

*The issuer asserts the risk level as: low.*

### Covid-19

As a result of the spread of Covid-19, several countries around the world have imposed restrictions on, among other things, travel, and opportunities for people to meet. Polymer Factory has been affected by the spread of the coronavirus through short-term layoffs of staff during the period April-Dec 2020. The Company follows the development with full focus on the countries where the Company's current and future customer base is located. There is a risk that shutdowns and demands on people that they should work from home may affect the Company's expected order backlog and circumvent the Company's plans of establishing themselves on new markets. There is also a risk that this can affect customer demand on market's were the Company already operates. There is a risk that the development of existing products may not be possible or will be delayed due to covid-19, which may lead to a failure in achieving the Company's financial and operational objectives. Such delays may result in increased costs, loss of revenue, that by extension may adversely affect the Company's earnings, capital, and financial position.

*The issuer assesses the level of risk as: low.*

## RISKS RELATED TO THE COMPANY'S SECURITIES

### No previous public trading

There is a risk that an active trading in Polymer Factory's securities will not develop and thus, that shareholders will not be able to divest their securities, or that shareholders can only divest their securities at a loss. There is also a risk that the price of the securities will be subject to significant fluctuations. Above all, the share price may be affected by changes in supply and demand, fluctuations in profit, ability to achieve profit changes, changes in the general economic situation, changes in laws and regulations and changes in other factors. There is also a risk that the general volatility on the stock market will lead to the share price being devalued.

*The issuer assesses the risk level as: medium.*

### Non-secured subscription commitments

The company has agreed in writing on subscription commitments with several different parties in the forthcoming new share issue. However, the subscription commitments have only through a smaller part (bridge loan) been secured through advance transaction, bank guarantee or similar. In the event that one or more of those who submitted a subscription commitment do not fulfil their commitment, there is a risk that the new share issue will be adversely affected, which in turn may adversely affect the Company's operations through reduced financial resources to drive the business forward.

*The issuer assesses the risk level as: medium.*

### Share sale from major shareholders, board members and executive management

Major shareholders, including CEO and Board Member Michael Malkoch (via SCEM Consulting AB), Board Member Mats Wallnér (via NordicBlue AB), Chairperson of the Board Eva Malmström, Board Member Anders Hult, and Board Member Leif Gustafsson, have entered into lock-up agreements prior to the planned listing, undertaking not to sell any shares or warrants in the Company for at least 12 months from listing on Spotlight Stock Market. Notwithstanding what is prescribed in the lock-up agreements, the parties that have entered into a lock-up may sell shares in accordance with the terms of a public takeover bid in accordance with the Public Takeover Bids Act (2006: 451). In the longer term, there is a risk that the parties that have entered lock-up will sell part or all their holdings in the Company. There is a risk that this will have a negative impact on Polymer Factory's share price.

*The issuer assesses the risk level as: medium.*

### Marketplace – Spotlight Stock Market

Polymer Factory has been approved for admission to trading on Spotlight Stock Market, provided that the lowest limit in the issue and the marketplace's spread requirements are achieved. Spotlight operates a trading platform (MTF). Companies whose shares are traded on Spotlight are not covered by all legal rules that apply to a company listed on a regulated market. Through its regulations, Spotlight Stock Market has chosen to apply several of

these legal rules. However, due to differences in the scope of the different regulations, an investment in shares traded on Spotlight Stock Market can be riskier than an investment in shares traded on a regulated market.

*The issuer assesses the risk level as: medium.*

### Dividend

Polymer Factory has so far not paid any dividends. The Company is in an initial expansion and development phase and any surpluses are primarily planned to be invested in Polymer Factory's development. There is a risk that future cash flows will not exceed the Company's capital requirements and / or that future AGMs will not decide on dividends.

*The issuer assesses the risk level as: medium.*

### Price movements

There is a risk that the Polymer Factory's share price will undergo major variations in connection with an introduction to Spotlight Stock Market. Exchange rate fluctuations may arise from major changes in purchase and sales volumes and may not necessarily have a connection with the Company's underlying value. There is a risk that the price fluctuations will affect Polymer Factory's share price negatively.

*The issuer assesses the risk level as: low.*

### Psychological factors

There is a risk that the securities market is influenced by psychological factors such as trends, rumours and reactions to news that are not directly linked to the marketplace, etc. There is a risk that the Company's shares will be affected in the same way as all other securities that are traded on different lists. There is a risk that psychological factors and their effects on price developments will adversely affect the market price of the Company's shares.

*The issuer assesses the risk level as: low.*



# ARTICLES OF ASSOCIATION

## ARTICLES OF ASSOCIATION FOR POLYMER FACTORY SWEDEN AB (ORG. NR. 556695-9531)

### §1 COMPANY NAME

The company name is Polymer Factory Sweden AB. The company is public (publ).

### §2 REGISTERED OFFICE

The company's registered office shall be situated in the municipality of Stockholm.

### §3 THE COMPANY'S BUSINESS

The company's business shall be to develop, manufacture and sell unique polymer macromolecules as well as related consulting services and licenses, primarily to the biotech-, pharmaceutical-, and microelectronics industries, to own and manage movable- and immovable property and to trade in securities and related activities.

### §4 SHARE CAPITAL

The Share Capital shall not be less than SEK 500,000 and not more than SEK 2,000,000.

### §5 NUMBER OF SHARES

The number of shares shall not be less than 5,000,000 and not more than 20,000,000.

### §6 FINANCIAL YEAR

The company's financial year shall be 1st of January – 31st of December.

### §7 BOARD OF DIRECTORS

The Board of Directors shall consist of not less than four and not more than seven members with no more than two deputy board members.

### §8 AUDITOR

A minimum of one and a maximum of three auditors with or without deputy auditors or a registered auditing company are appointed to review the company's annual report together with the accounts and the Board of Directors' and the President's administration.

### §9 NOTICE OF SHAREHOLDER'S MEETING

Notice of a general meeting shall be given by advertising in Post- och Inrikes Tidningar and on the company's website. That a summon has been issued shall be announced in SvD. If the publication of SvD should cease, advertising should instead take place through DI.

### §10 NOTIFICATION TO PARTICIPATE IN THE SHAREHOLDER'S MEETING

The right to participate in the AGM is entitled to shareholders who have been entered in the share register in the manner prescribed in Chapter 7. 28 § 3 and who has notified the company no later than the date specified in the notice

convening the meeting. This day may not be Sunday, another public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday before the meeting. If shareholders intend to bring assistants, the number of assistants must be stated in the notification.

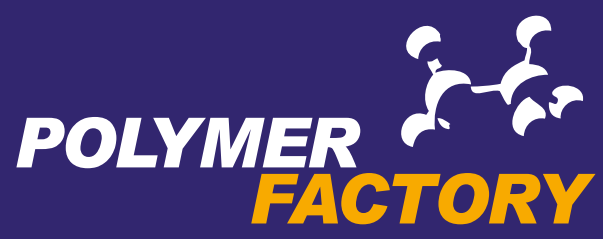
### §11 BUSINESS AT ANNUAL SHAREHOLDER'S MEETING

The following business shall be addressed at annual shareholders' meetings:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Election of one or two persons who shall approve the minutes of the meeting;
4. Determination of whether the meeting was duly convened;
5. Approval of the agenda;
6. Submission of the annual report and auditor's report and, when applicable, the consolidated financial statements and the auditor's report for the group;
7. Resolutions regarding:
  - a. the adoption of the income statement and the balance sheet and, when applicable, the consolidated income statement and the consolidated balance sheet;
  - b. allocation of the company's profits or losses in accordance with the adopted balance sheet;
  - c. discharge of the members of the board of directors and the managing director from liability;
8. Determination of the number members, deputy board member, of the board of directors and the number of auditors and deputy auditors.
9. Determination of fees for members of the board of directors and auditors;
10. Election of members of the board of directors, any deputy board members, as well as auditor or auditing company and any deputy auditors;
11. Other matters which are set out in the Swedish Companies Act (2005:551) or the company's articles of association.

### §12 RECORD DAY PROVISION

The shares of the company shall be registered in a Central Securities Depository Register according to the Swedish Financial Instruments Accounting Act (1998:1479) (record day provision).



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