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## The board of directors of Coala-Life Group has resolved on a fully guaranteed rights issue of approximately SEK 150 million

The board of directors of Coala-Life Group AB (publ) ("Coala-Life Group" or the "Company") has, with the support of the authorisation from the extraordinary general meeting held on 14 March 2022, resolved on a rights issue of approximately 44.2 million shares at a subscription price of SEK 3.40 per share (the "Rights Issue"). The Rights Issue is fully covered by subscription undertakings and guarantee commitments from existing shareholders and new investors. Upon full subscription in the Rights Issue, the Company will receive approximately SEK 150 million before deduction of costs related to the transaction.

### The Rights Issue in brief

- The net proceeds from the Rights Issue are intended to be used to fund an accelerated market penetration in the US, research and development and general corporate purposes.
- For each existing share held on the record date, one (1) subscription right is received. The subscription right entitles the holder to subscribe for new shares with preferential rights, whereby four (4) subscription rights give the right to subscribe for five (5) new shares, i.e. a subscription ratio of 5:4.
- The subscription price has been set at SEK 3.40 per share which, assuming that the Rights Issue is fully subscribed, amounts to proceeds of approximately SEK 150 million before the deduction of costs related to the transaction.
- The Rights Issue is fully covered by subscription undertakings from certain existing shareholders, undertakings to acquire and utilise subscription rights (and corresponding undertakings of subscription rights being sold by certain existing shareholders), and guarantee commitments from new investors.
- The subscription period will run from and including 28 March 2022 until and including 11 April 2022.
- The record date for participation in the Rights Issue with preferential rights is 24 March 2022. Last day of trading in Coala-Life Group's shares including right to receive subscription rights in the Rights Issue is 22 March 2022 and the first day of trading in the Company's shares without right to receive subscription rights in the Rights Issue is 23 March 2022.

- Trading in subscription rights will take place on the Nasdaq First North Growth Market during the period from and including 28 March 2022 until and including 6 April 2022.
- Through the Rights Issue, a maximum of 44,156,463 new shares may be issued.
- In order not to lose the value of the subscription rights, the holder must either use these to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.

### **Background and intention**

On 27 September 2021, Coala-Life Group (at the time RNB Retail and Brands AB) announced that the Company had entered into an agreement to acquire all shares in Coala-Life AB through an issue of new shares against payment in kind and the intention to change listing venue for the Company's shares from Nasdaq Stockholm to Nasdaq First North Growth Market. The acquisition was completed on 8 November 2021 and in connection with this, the Company's business orientation was shifted to development, marketing and commercialization of electronic medical equipment.

The Company experiences strong demand and potential for its product offering, particularly in the US. The Company's head of US operations was appointed during the third quarter of 2021 and the Company has since continued to develop its US operations. In order to provide the Company with the best conditions to build on its operations and grow, primarily in the US, to be able to develop its product offering and achieve sustainable profitability, the board of directors has, based on the authorization from the EGM on 14 March 2022, resolved on the Rights Issue. The Rights Issue is expected to provide Coala-Life Group an amount of approximately SEK 150 million, before deduction of transaction costs.

The net proceeds from the Rights Issue are intended, in order of priority and with an approximate proportion indicated in parentheses, to be used for:

- Accelerated market penetration in the US (75.0%).
- Research and development (12.5%).
- General corporate purposes (12.5%).

The proceeds from the Rights Issue would strengthen the Company's financial position and provide the Company with opportunity to complete its growth plan as well as the opportunity to build on the Company's platform and accelerate market penetration. In addition, the Company assesses that there is a spectrum of attractive acquisitions that could strengthen Coala Life's position within long-term monitoring, analytics and algorithm-based diagnostics. As such, the Company wants to be prepared and have the ability to make selective acquisitions to accelerate its growth.

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

Subscription undertakings amount to approximately SEK 36 million, corresponding to approximately 24 percent of the Rights Issue, of which the largest subscription undertakings (in terms of amount) have been provided by 20 North Street Co AB, corresponding to 8 percent of the Rights Issue. Undertakings to acquire and utilise subscription rights amounts to approximately SEK 2 million. 20 North Street Co AB has undertaken to transfer a corresponding number of subscription rights to the aforementioned parties. In addition, guarantee commitments amount to approximately SEK 114 million, corresponding to approximately 76 percent of the Rights Issue. The guarantee commitments have been provided by the existing shareholder Otiva J/F AB and an external guarantee consortium. Otiva's guarantee commitment amounts to SEK 8 million with a priority right to allocation of new shares over the external guarantee

consortium. The Rights Issue is thus fully covered through subscription undertakings and guarantee commitments out of which SEK 15 million will be contributed through set-off of existing loans under the loan facility entered into by the Company in October 2021.

Neither subscription undertakings nor guarantee commitments are secured by bank guarantee, blocked funds, pledges or similar arrangements. For the guarantee commitments and except for in relation to Otiva's guarantee commitment, there is a customary guarantee commission, conforming to the prevailing market conditions, of ten (10) percent of the guaranteed amount. No compensation is paid to the parties that have provided subscription undertakings or in respect of Otiva's guarantee commitment.

### **The Rights Issue**

The board of directors has resolved to carry out an issue of a maximum 44,156,463 new shares with preferential rights for the Company's shareholders, i.e. the Rights Issue as defined above. The resolution was made with the support of the authorisation from the extraordinary general meeting held on 14 March 2022. The subscription price is SEK 3.40 per new share.

Provided that the Rights Issue is fully subscribed, the Company will receive approximately SEK 150 million before deduction of costs related to the transaction, which are estimated at approximately SEK 22.2 million (primarily consisting of compensation for guarantee commitments, fees to advisors and costs for practical management). For information regarding use of estimated net proceeds, refer to the section *Background and intention* above. At full subscription the Company's share capital will increase with SEK 11,039,115.75, resulting in a dilution of approximately 56 percent (calculated after the Rights Issue).

The shareholders of the Company will have preferential rights to subscribe for the new shares that are included in the Rights Issue. For each share held on the record date, 24 March 2022, one (1) subscription right will be received, and four (4) subscription rights will entitle to subscription for five (5) new shares. Shareholders who do not participate in the Rights Issue have an opportunity to receive economic compensation for the dilution by selling their subscription rights. In order not to lose the value of the subscription rights, the holder must either use them to subscribe for new shares within the subscription period or sell the subscription rights that are not to be exercised within the period for trading in subscription rights.

If all of the new shares are not subscribed for with subscription rights, the board of directors will, within the limit of the maximum amount of the Rights Issue, decide on allotment of new shares subscribed for without subscription rights as follows:

- firstly, to those who subscribed for new shares with subscription rights, regardless if the subscriber was a shareholder on the record date or not, and in the case of oversubscription, pro rata to the number of shares subscribed for with subscription rights;
- secondly, to those who applied for new shares without subscription rights, and in the case of oversubscription, pro rata to the new number of shares subscribed for in the application; and
- lastly, to those who have entered into guarantee commitments with the Company. Allotment shall then firstly be made to Otiva and then to the parties of the external guarantee consortium pro rata in relation to their respective guarantee amounts.

To the extent allotment in accordance with the above cannot be made pro rata, allotment shall be made by drawing of lots.

Full terms and conditions for the Rights Issue and further information regarding net proceeds, guarantee commitments etc. will be disclosed in the EU Growth Prospectus which will be published by the Company no later than in conjunction with the commencement of the subscription period.

#### **Preliminary timetable for the Rights Issue**

22 March 2022 Last day for trading including the right to receive subscription rights  
23 March 2022 First day of trading without the right to receive subscription rights  
24 March 2022 Publication of EU Growth Prospectus  
24 March 2022 Record date for participation in the Rights Issue with preferential rights, that is, shareholders who are registered in the share register kept by Euroclear Sweden AB as of this day will receive subscription rights that entitle to participation in the Rights Issue with preferential rights  
28 March – 6 April 2022 Trading in subscription rights  
28 March – 11 April 2022 Subscription period  
14 April 2022 Announcement of the outcome of the Rights Issue  
20 April 2022 The Rights Issue is registered with the SCRO

#### **Advisors**

Carnegie Investment Bank AB (publ) acts as Sole Global Coordinator in connection with the Rights Issue. Setterwalls Advokatbyrå AB acts as legal adviser to Coala-Life Group in connection with the Rights Issue.

#### **Important information**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares or other securities in the Company. No action has been taken and no measures will be taken to permit a public offering in any jurisdictions other than Sweden.

This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. This announcement does not identify, or purport to identify, risks (direct or indirect) that may be associated with an investment in shares or other securities in the Company. A so-called EU Growth Prospectus (the "**Prospectus**") will be prepared in connection with the Rights Issue and be reviewed and approved by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) which is the national competent authority in Sweden under the Prospectus Regulation. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. This press release constitutes an advertisement in accordance with article 2 k of the Prospectus Regulation.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Japan, Canada, Hong Kong, New Zealand, Switzerland, Singapore, South Africa or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares or other securities in the Company have been registered, and no shares or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or

indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area (“**EEA**”), no public offering of shares or other securities (“**Securities**”) is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this press release relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (ii) high net worth entities etc. falling within Article 49(2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under the Order (all such persons together being referred to as “**relevant persons**”). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about the Company's future results, financial condition, liquidity, development, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to

change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market's rule book for issuers.

## About us

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Coala Life is a medical device company founded in Sweden focusing on cloud-based cardiac and pulmonary diagnostics. The company has developed and launched the Coala Heart Monitor - a multi-award winning, FDA-cleared and CE-approved product platform enabling long-term remote monitoring, analysis and algorithm-based diagnostics of heart and auscultation of lungs in real-time. The Coala Heart Monitor is mainly marketed to healthcare providers as an Rx solution for use in patient's everyday life and home environment. The company's solutions are based on over 10 years of R&D, and are protected by more than 30 patents. The head office is based in Uppsala, Sweden and since 2019, the US office is based in Irvine, California. More than 350 care providers and 1,000 doctors are connected to the Coala Care Portal. For more information see [www.coalalife.com](http://www.coalalife.com)

## For more information, contact:

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*This information is information that Coala Life is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-03-17 08:00 CET.*

## Attachments

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**The board of directors of Coala-Life Group has resolved on a fully guaranteed rights issue of approximately SEK 150 million**