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The board of directors of Coala-Life Group AB carries out a directed new share issue of SEK 17 million at a 10-day VWAP without discount, subject to the general meeting's subsequent approval

The board of directors of Coala-Life Group AB (publ) ("Coala Life" or the "Company") has today resolved to carry out a directed issue of 44,736,846 new shares at a subscription price of SEK 0.38 per share, corresponding to a volume weighted average price of ten trading days without discount, subject to the general meeting's subsequent approval (the "Directed New Share Issue"). The Directed New Share Issue is carried out in order to strengthen the Company's liquidity and is expected, subject to the approval of the general meeting, to provide the Company with SEK 17.0 million before deduction of transaction costs.

The board of directors of Coala Life has today resolved to carry out the Directed New Share Issue, subject to the subsequent approval of the general meeting. The subscription price per new share in the Directed New Share Issue, which amounts to SEK 0.38, has been determined through arm's length negotiations with a number of potential investors and corresponds to the volume weighted average price (WVAP) of the Company's share on Nasdaq First North Growth Market during a period of ten (10) trading days immediately preceding, and including, 10 July 2023 rounded to the nearest whole number of Swedish öre (SEK 0.01). Subject to the approval of the general meeting, the Directed New Share Issue is expected to provide the Company with SEK 17.0 million before deduction of transaction costs, mainly consisting of fees for legal advice and costs related to practical management.

The rapid turnover growth in Coala Life means that the Company's working capital, due to the long payment terms, to a significantly increasing extent is tied up in accounts receivable. In order to ensure financial sustainability, Coala Life recently entered a factoring agreement in order to receive faster payments on its accounts receivable. The

factoring agreement has eased the pressure on the Company's liquidity, but not to a sufficient degree. Considering Coala Life's expected continued growth and the time-lag on payments that still remains, the board of directors has therefore resolved on the Directed New Share Issue to strengthen the Company's liquidity.

The board of directors has considered the possibility to raise the required funds through a rights issue instead of through the Directed New Share Issue. The board of directors has concluded that a rights issue would have entailed significantly longer execution time and that there is an imminent risk that the Company's strained liquidity would have a negative impact on the Company's operations before a rights issue could be completed. In light of the above and considering the Company's rights issues during 2022 and 2023, the board of directors has made the assessment that the Directed New Share Issue with deviation from the shareholders' preferential rights is the most favourable alternative for Coala Life and in the best interest of the Company's shareholders. As the subscription price in the Directed New Share Issue has been determined through arm's length negotiations with a number of potential investors and corresponds to a volume weighted average price of ten trading days the board of directors assesses that the subscription price reflects current market conditions and demand.

The Directed New Share Issue is directed to the existing shareholders 20 North Street CO AB corresponding to SEK 5.65 million, Otiva J/F AB corresponding to SEK 3.0 million, Åke Sundvall Holding AB corresponding to SEK 2.5 million, eQ Asset Management Oy corresponding to SEK 0.85 million, Nils-Holger Olsson corresponding to SEK 0.5 million, to Coolax Holding AB (indirect shareholder through 20 North Street CO AB) corresponding to SEK 0.5 million and to the Company's CEO Dan Pitulia through a pension insurance corresponding to SEK 4.0 million. Payment for subscribed shares is to be made within three banking days.

The Directed New Share Issue is formally carried out by the board of directors making two separate resolutions on issuance of new shares to be approved by the general meeting, since the company's CEO indirectly is entitled to subscribe for new shares which entails particular majority requirements for the general meeting's approval.

The first issue resolution refers to the issue of a total of 34,210,530 new shares to 20 North Street CO AB, Otiva J/F AB, Åke Sundvall Holding AB, eQ Asset Management Oy, Nils-Holger Olsson and Coolax Holding AB which, subject to the general meeting's subsequent approval, is expected to provide the Company with SEK 13.0 million before transaction costs.

The second issue resolution refers to the issue of a total of 10,526,316 new shares to the Company's CEO Dan Pitulia through a pension insurance. The second issue is subject to the so called "Leo rules" of Chapter 16 of the Swedish Companies Act, which implies that the general meeting's subsequent resolution on approval requires that the approval is supported by shareholders representing at least nine tenths (9/10) of both the votes cast and the shares represented at the general meeting. Subject to the approval by the general meeting, the second issue is expected to provide the Company with SEK 4.0 million before transaction costs.

The Directed New Share Issue entails a dilution of 15.5 per cent of the share capital and total number of shares and votes in the Company (*i.e.* the new shares in the Directed New Share Issue will represent 15.5 percent of the share capital and total number of shares and votes in the Company after the Directed New Share Issue). Through the Directed New Share Issue, the number of outstanding shares and votes will increase by 44,736,846, from 244,461,601 to 289,198,447. The share capital will increase by SEK 11,184,211.50, from SEK 61,115,400.25 to SEK 72,299,611.75.

The Directed New Share Issue has been resolved upon subject to the subsequent approval of the general meeting and the board of directors therefore intends to issue a notice of an extraordinary general meeting. The notice to the extraordinary general meeting will be announced through a separate press release.

Advisors

Setterwalls Advokatbyrå AB is legal advisor and Nordic Issuing AB is issuing agent in connection with the Directed New Share Issue.

IMPORTANT INFORMATION

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This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed New Share Issue. In any EEA member state, this communication is only addressed to and is only directed at "qualified investors" in that member state within the meaning of the Prospectus Regulation.

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This press release does not constitute a recommendation concerning any investor's decision regarding the Directed New Share Issue. Each investor or potential investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, 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 nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. 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 undertakes 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.

About us

Coala-Life Group AB ("Coala Life" or the "Company") founded in 2015, is a Cloud Based Software as a Service provider, and medical device developer and reseller, listed on Nasdaq First North Growth Market. The Company focuses on B2B solutions for managed Remote Patient Monitoring ("RPM"), offering medical care providers, primarily in the US, with a highly scalable, cost-efficient platform to remotely and virtually manage large volumes of patients suffering from chronic diseases. The company offers care providers a comprehensive solution and lifts the administrative work from the care providers regarding, amongst other things, follow-up, 24/7 monitoring, as well as the reimbursement process from state and private health insurance companies. Patients are monitored long-term in everyday life and typically have diabetes, obesity, and /or cardiovascular disease.

For more information see www.coalalife.com

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Certified Adviser

The company's Certified Adviser is Erik Penser Bank AB.

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 2023-07-11 16:25 CEST.

Attachments

The board of directors of Coala-Life Group AB carries out a directed new share issue of SEK 17 million at a 10-day VWAP without discount, subject to the general meeting's subsequent approval