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## BrainCool AB (publ) has carried out a directed share issue of MSEK 60

*The board of directors of BrainCool AB (publ) ("BrainCool" or the "Company") has, pursuant to the authorization granted by the annual general meeting on 11 May 2023, resolved on a directed new issue of shares that provides the Company with MSEK 60 before issue costs (the "Directed New Issue"). The subscription price amounted to SEK 4.0 per share and was determined in consultation with Zonda Partners AB (acting as Sole Bookrunner) after arm's length negotiations with participating institutional investors. The subscribers in the Directed New Issue mainly consist of the institutional investors Carnegie Fonder and Elementa as well as the larger shareholder Landia AB.*

BrainCool today announces that the Board of Directors has, based on the authorization granted by the Annual General Meeting on May 11, 2023, resolved on the Directed New Issue. The subscription price in the Directed New Share Issue amounted to SEK 4.0 per share, corresponding to a discount of approximately eight (8) % compared to the volume-weighted average price of the Company's share on Nasdaq First North Growth Market during a period of five (5) trading days prior to the board resolution on the Directed New Issue. The subscription price was determined in consultation with Zonda Partners (acting as Sole Bookrunner) after arm's length negotiations with participating institutional investors and is deemed by the Board of Directors to be on market terms.

Prior to the Directed New Issue, the Board of Directors has carefully considered the possibility of raising capital through a rights issue and makes the assessment that there are currently several reasons why it is more advantageous for the shareholders to raise capital through a directed share issue. A rights issue in the current market would entail a risk that the Company would not be able to meet its capital needs. A rights issue would also expose the Company's shareholders to a risk of a severely depressed share price, especially in this market with very high discounts in rights issues and high guarantee payments to guarantors. Against this background, since the Directed New Issue (i) can provide the Company with long-term and well-capitalized institutional owners, (ii) meets the increased capitalization needs for production due to the already announced sharp increase in order intake through the agreement with ZOLL, and (iii) can be carried out in a more time-efficient manner and at a lower cost and with less complexity than a rights issue, it is the board of directors' overall assessment that the reasons that clearly and with sufficient strength justify that the issue is carried out with deviation from the shareholders' preferential rights outweigh the reasons that justify the main rule that the new issue shall be carried out with preferential rights for the shareholders. The Board of Directors therefore considers that a new share issue with deviation from the shareholders' preferential rights is in the Company's and all shareholders' interest and thus the most appropriate alternative. As the subscription price in the Directed New Issue has been determined through arm's length negotiations, the board of directors considers that the subscription price reflects market

conditions and demand.

The number of shares covered by the Directed New Issue amounts to 15,000,000 and increases the Company's share capital by SEK 675,000. The Directed New Issue entails a dilution effect of approximately 8.55 percent of the share capital and votes in the Company after the Directed New Issue.

In order to facilitate the completion of the issue, the new shares will initially be subscribed for by Nordic Issuing AB, in its capacity as issuing agent in the issue, at an amount corresponding to the quota value of the shares.

Through the Directed New Issue, BrainCool receives a total of MSEK 60 before transaction costs. The subscribers in the Directed New Issue mainly consist of the institutional investors Carnegie Fonder and Elementa as well as the larger shareholder Landia AB.

BrainCool intends to use the net proceeds from the Directed New Issue to accelerate the Company's expansion and secure a strong expansion of the production capacity and otherwise for the Company's increased working capital needs from the expected growth of the Company's first product to the market, BrainCool™ System.

After the Directed New Issue, the share capital in the Company amounts to approximately SEK 7,894,110 divided into 175,424,671 shares.

#### **Advisors**

Zonda Partners acts as Sole Bookrunner and Advokatfirman Delphi is legal advisor in connection with the Directed New Issue.

*This information is information that BrainCool AB (publ) 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 below, on August 28, 2023 at 08.30 (CEST).*

#### **For more information**

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#### **About BrainCool AB (publ)**

*BrainCool AB (publ) is an innovative medical technology company that develops, markets and sells leading medical cooling systems for indications and areas with significant medical added value in healthcare. BrainCool AB (publ) is based in Lund, Sweden. The share is listed on Nasdaq First North Growth Market, under the ticker "BRAIN". The company's Certified Adviser is EminoVA Fondkommission AB.*

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by any authority in any jurisdiction, does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") 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 "qualified investors" in that Member State as defined in the Prospectus Regulation.

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This press release does not constitute an invitation to underwrite, subscribe or otherwise acquire or transfer securities in any jurisdiction. This press release does not constitute a recommendation for any investor's decision regarding the Directed New Share Issue. Each investor or potential investor should conduct its own investigation, analysis and evaluation of the business and information described in this press release and all publicly available information. The price and value of the securities may go down as well as up and past performance is no guide to future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

#### **Information for distributors**

In order to comply with the product governance requirements contained in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which supplements MiFID II; and (c) national implementing measures (together, the "MiFID II Product Governance Requirements") and in order to disclaim any non-contractual, contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) may otherwise be subject, the offered shares in Hansa have been subject to a product approval

process, which has determined that those shares are: (i) suitable for a target market consisting of retail investors and investors meeting the criteria of professional clients and eligible counterparties, as defined in MiFID II; and (ii) suitable for distribution through all distribution channels permitted under MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of BrainCool's shares may fall and investors may lose all or part of their investment; that the Company's shares do not come with any guarantee of return or capital protection; and that an investment in the Company's shares is only suitable for investors who do not require a guaranteed return or capital protection and who (alone or with the help of an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and have sufficient resources to bear any losses that may result from such an investment. The target market assessment is without prejudice to any other requirements relating to contractual, legal or regulatory restrictions on sales in connection with the Directed Share Issue. It is further noted that, notwithstanding the Target Market Assessment, the Sole Bookrunner will only seek investors who meet the criteria of professional clients and eligible counterparties.

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

Each distributor is responsible for conducting its own Target Market Assessment regarding BrainCool's shares and for determining appropriate distribution channels.

### **Forward-looking statements**

This press release contains forward-looking statements that reflect the Company's intentions, beliefs or expectations regarding 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 do not relate to historical facts and can be identified by the fact that they contain expressions such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "assumes", "should", "could" and, in each case, negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialize or that they will be accurate. Because these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcomes may differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied by the forward-looking statements in this press release. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct and any reader 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 expressed or implied herein speak only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revision to any forward-looking statement to reflect events that occur or circumstances that arise in relation to the content of this press release.

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**Attachments**

[BrainCool AB \(publ\) has carried out a directed share issue of MSEK 60](#)