

Realheart Has Resolved on a Directed Share Issue of a Maximum of 2,881,115 Shares Which Will Provide the Company With Approximately SEK 32.6 Million Upon Full Subscription

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Scandinavian Real Heart AB (publ) ("Realheart" or the "Company") has today, based on an authorisation from the annual general meeting 2024, resolved to carry out a directed share issue of a maximum of 2,881,115 shares at a subscription price of SEK 11.31 per share (the "Directed Share Issue"). The investors in the Directed Share Issue comprise a limited number of qualified and other professional investors, including both new and existing shareholders, among others Claes Mellgren and Per Olof Andersson. The Company has received subscription for 2,085,382 shares, which means that the Company will receive approximately SEK 23.6 million before deduction of transaction costs. Furthermore, the existing shareholder, the European Investment Council ("EIC"), shall, in accordance with the Board of Directors' issue resolution, have the opportunity to decide on participation in the Directed Share Issue with subscription of a maximum of 795,733 shares which, upon full subscription, will provide the Company with approximately SEK 9.0 million.

The Directed Share Issue

The Board of Directors has, based on the issue authorisation granted by the Annual General Meeting on 7 June 2024, resolved on a directed share issue of a maximum of 2,881,115 shares at a subscription price of SEK 11.31 per share. The Company has received subscription for 2,085,382 shares, which means that the Company will receive approximately SEK 23.6 million before deduction of transaction costs. The investors in the Directed Share Issue comprise the existing shareholders Claes Mellgren, Christer Jönsson, Objective Point Sweden AB and Abbe Dikmen as well as the new shareholders Per Olof Andersson and Vellenova AB. Furthermore, the existing shareholder EIC, shall, in accordance with the Board of Directors' issue resolution, have the opportunity to decide on participation in the Directed New Share Issue with subscription of a maximum of 795,733 shares which, upon full subscription, will provide the Company with approximately SEK 9.0 million. The reason for including certain existing shareholders among those entitled to subscribe is that these shareholders have expressed and demonstrated an interest in long-term ownership in the Company. The board believes this creates security,

stability, and favorable conditions for the Company's development, which is deemed to be beneficial for both the Company and all its shareholders. Additionally, through Claes Mellgren and Per Olov Andersson, the Company is strengthened by two new principal owners with experience in building AQ Group AB into one of Scandinavia's leading industrial companies.

The subscription price in the Directed Share Issue has been determined through arm's length negotiations between the subscribers and the Company. The subscription price represents a discount of approximately 20 percent in relation to the average volume-weighted price for the Company's share on Nasdaq First North Growth Market during the period from March 14 to March 27, 2025 (the last ten trading days prior to the announcement of the Directed Share Issue). The Board of Directors therefore assesses that the subscription price has been determined in such a manner that market fairness has been ensured and that the subscription price reflects prevailing market conditions and demand.

According to the issue made by the Board of Directors, EIC shall have the opportunity to subscribe for a maximum of 795,733 shares in the Directed Share Issue which, upon full subscription, will provide the Company with approximately SEK 9.0 million. However, EIC requires a certain period of time to make an investment decision in accordance with its regulations and internal processes. With respect to the shares that may potentially be subscribed for by EIC depending on EIC's decision to participate in the Directed Share Issue or not, subscription and payment must be completed no later than April 24, 2025.

Subscription by the Directed Share Issue is conditional upon the Inspectorate of Strategic Products leaving the notifications regarding the Directed Share Issue pursuant to the Screening of Foreign Direct Investments Act (Sw. *lagen (2023:560) om granskning av utländska direktinvesteringar*) without action or approving the notifications after review.

Through the Directed Share Issue, the Company's share capital will increase by SEK 10,447,763.82, from SEK 10,788,183.30 to SEK 21,235,947.12, by new issue of 2,085,382 shares, resulting in the total number of shares increasing from 2,153,330 shares to 4,238,712 shares. The Directed Share Issue results in a dilution of approximately 49.2 percent of the capital and votes for existing shareholders based on the total number of shares and votes in the Company after the Directed Share Issue.

If EIC decides to participate in the Directed Share Issue, the Company's share capital will increase by an additional SEK 3,986,622.33, from SEK 21,235,947.12 to SEK 25,222,569.45, through the issuance of an additional 795,733 shares. Consequently, the total number of shares will increase from 4,238,712 shares to 5,034,445 shares. In such a case, the Directed Share Issue will result in a total dilution of approximately 57.2 percent of the capital and votes for existing shareholders, based on the total number of shares and votes in the Company after the Directed Share Issue. However, as described above, EIC has not made any investment decision regarding participation in the Directed Share Issue.

Background and Reasons

Realheart is developing a complete artificial heart (Total Artificial Heart – TAH) for implantation in patients suffering from life-threatening heart failure. The Company's TAH features a patented design that incorporates a four-chamber system (two atria, two ventricles) to generate a physiologically adapted blood flow that mimics the body's natural circulation.

Realheart has conducted several animal studies as part of the preclinical program, which will form the basis for the first clinical study in humans. The results indicate that the Realheart® TAH provides good heart function and a low level of harmful blood impact, while the survival time of the implanted animals exceeded previous attempts. Overall, the results support the potential of the Realheart® TAH to replace the human heart in the future. Parallel blood studies also show that the Realheart® TAH induces approximately 80 percent less blood damage (hemolysis) compared to the market leader's artificial heart.

Realheart is also focused on strengthening collaboration with strategic national and international suppliers and partners to ensure the development and production of the TAH. To finance the preclinical studies and ensure successful outcomes ahead of clinical trials, the Company now intends to carry out the Directed Share Issue.

The net proceeds from the Directed Share Issue are intended to be used for further preclinical studies, development, production and regulatory work, and corporate costs.

Deviation From the Shareholders' Pre-emptive Rights

The board of directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue with preferential right for the Company's existing shareholders. The board of directors considers that the reasons for deviating from the shareholders' preferential right are: (i) that a rights issue would take a significantly longer time to complete and entail a higher risk for an adverse effect on the share price, particularly in light of the current market volatility and the challenging market conditions, (ii) to carry out a directed share issue can be made at lower costs and with less complexity than a rights issue, and (iii) with background of the current market conditions and as the rights issues carried out by the Company in recent years have not been fully subscribed, the board of directors has assessed that a rights issue would also require external underwriting from a guarantor syndicate that would entail additional significant costs. Considering the above, the board of directors has made the assessment that a directed share issue with deviation from the shareholders' preferential right is the most favourable alternative for the Company to finance its operations, create value for the Company and is in the best interest of the Company's shareholders. The board of directors thus considers that the reasons outweigh the main rule that new share issues are to be carried out with preferential rights for the shareholders.

Advisers

Setterwalls Advokatbyrå AB acts as legal advisor to the Company in connection with the Directed Share Issue.

Important Information

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This announcement is not a prospectus for the purposes of Regulation (EU) 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 other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed 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.

In the United Kingdom, this document 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 document relates is available only to, and will be engaged in only with, “qualified investors” (within the meaning of the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “UK Prospectus Regulation”), 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”); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of 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.

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or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. No public offering of the Directed Share Issue is being made in the United States, Sweden or elsewhere.

This announcement has been issued by, and is the sole responsibility of, the Company.

The distribution of this announcement and the offering of the securities referred to herein in certain jurisdictions may be restricted by law. No action has been taken by the Company or any of its respective affiliates that would, or which is intended to, permit an offering of the securities in any jurisdiction or result in the possession or distribution of this announcement or any other offering or publicity material relating to the securities in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company to inform themselves about, and to observe, such restrictions.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Directed Share Issue. Any investment decision to buy shares in the Directed Share Issue must be made solely on the basis of publicly available information.

This announcement does not constitute an invitation to underwrite, subscribe for or otherwise acquire or dispose of any securities in any jurisdiction. This announcement does not constitute a recommendation concerning any investor's option with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and data described in this announcement and publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This announcement contains (or may contain) certain forward-looking statements with respect to certain of the Company's current expectations and projections about future events. These statements, which sometimes use words such as "aim", "anticipate", "believe", "intend", "plan", "estimate", "expect" and words of similar meaning, reflect the directors' beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual results and performance to differ materially from any expected future results or performance expressed or implied by the forward-looking statement. Statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The information contained in this announcement is subject to change without notice and, except as required by applicable law or the Nasdaq First North Growth Market Rulebook for Issuers of shares, the Company does not assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor do they intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement. No statement in this announcement is or is intended to be a profit forecast or profit estimate or to imply that the earnings of the Company for the current or future financial years will necessarily match or exceed the historical or published earnings of the Company. As a result of these risks, uncertainties and assumptions, the recipient should not place undue reliance on these forward-looking statements as a prediction of actual results or otherwise.

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About Us

Scandinavian Real Heart AB (publ) is developing the first artificial heart that mimics the shape, function, and blood flow pattern of the human heart. These unique product features provide completely new opportunities to save lives and give patients a good quality of life while waiting for a heart transplant. In the future, artificial hearts may also become an alternative to transplantation for broader groups of patients with severe heart failure. Realheart® TAH (Total Artificial Heart) is now being evaluated in extensive preclinical trials ahead of a first clinical study in patients. The company's shares are traded on Nasdaq Stockholm First North Growth Market. For more information, visit www.realheart.se

This information is information that Scandinavian Real Heart 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 2025-03-27 21:05 CET.