

Coala-Life Group intends to carry out a rights issue of units, guaranteed to 75 percent, consisting of new shares and warrants of approximately SEK 101 million

NOT FOR RELEASE, DISTRIBUTION OR PUBLICATION, DIRECTLY OR INDIRECTLY, WITHIN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, JAPAN, CANADA, HONG KONG, NEW ZEELAND, RUSSIA, SWITZERLAND, SINGAPORE, SOUTH AFRICA, OR ANY OTHER JURISDICTION IN WHICH THE RELEASE, DISTRIBUTION OR PUBLICATION WOULD BE UNLAWFUL OR REQUIRE ANY OTHER MEASURES THAN REQUIRED BY SWEDISH LAW.

Coala-Life Group AB (publ) ("Coala Life" or the "Company") hereby announces the board of director's intention to issue a notice of an extraordinary general meeting to resolve on a partially guaranteed rights issue of units consisting of new shares and warrants of approximately SEK 101 million, before deduction of transaction costs (the "Rights Issue"). The Rights Issue comprise no more than 198,704,085 units and each unit consist of one (1) new share and one (1) warrant issued free of charge. The subscription price is SEK 0.51 per unit and refers to the share. The Rights Issue is covered by subscription undertakings and guarantee commitments from existing shareholders and new investors amounting to at least approximately SEK 76.4 million in total, corresponding to approximately 75 percent of the Rights Issue. It will furthermore be proposed that the extraordinary general meeting resolves on an expansion option comprising no more than 19,870,410 additional units at the same terms as in the Rights Issue (the "Overallotment Option") and on an issuance of no more than 19,075,591 new shares with deviation from the shareholders' preferential rights to enable payment of commitment consideration to guarantors in the Rights Issue in the form of new shares (the "Commitment Consideration Issue"). Notice of the extraordinary general meeting, which is expected to be held on January 26, 2023, will be published will be published through a separate press release and will also contain proposed changes to the articles of association, with regards to the limits of the share capital and the number of shares, and election of Per Lindeberg as new ordinary member of the board of directors, in addition to the current members.

The Rights Issue in brief

- Issue size: The Rights Issue comprise no more than 198,704,085 units. Each unit consists of one (1) new share and one (1) warrant issued free of charge. Upon full subscription, the Company will receive proceeds of approximately SEK 101 million before deduction of transaction costs. Upon full subscription of the Rights Issue and subsequent exercise of all warrants issued the Rights Issue the Company may

additionally receive approximately SEK 16.6 million to SEK 46.4 million before deduction of transaction costs (depending on the final subscription price for the new shares that may be subscribed for by exercise of the warrants in the interval set forth below).

- Record date: The record date for receipt of unit rights and a right to participate in the Rights Issue with preferential rights is February 2, 2023. The last day for trading in the Company's share including the right to receive unit rights is January 31, 2023. The first day of trading in the Company's share excluding the right to receive unit rights is February 1, 2023.

Preferential right: For each share held in Coala Life on the record day, the shareholder will receive five (5) unit rights. Two (2) unit rights entitle to subscription of one (1) unit. Each unit consists of one (1) new share and one (1) warrant issued free of charge.

Subscription price: The subscription price is SEK 0.51 per unit and refers to the share. No commission is payable.

- Subscription period: The subscription period runs from and including February 7, 2023 until and including February 21, 2023.
- Trading with unit rights: Unit rights will be traded on Nasdaq First North Growth Market from and including February 7, 2023 until and including February 16, 2023.
- Subscription undertakings and guarantee commitments: Subscription undertakings amounting to approximately SEK 27.8 million, corresponding to approximately 27 percent of the Rights Issue, have been provided by existing shareholders and new investors. Coala Life has furthermore received guarantee commitments from existing shareholders and new investors amounting to approximately SEK 48.6 million, corresponding to approximately 48 percent of the Rights Issue.

Warrants: Each unit consists of one (1) new share and one (1) warrant issued free of charge. Three (3) warrants entitle to subscription of one (1) new share in the company during the period September 11, 2023 – September 22, 2023 at a subscription price per share corresponding to seventy (70) percent of the volume weighted average trading price of the Company's share on Nasdaq First North Growth Market, during a period of ten (10) trading days prior to, and including, September 8, 2023, but no less than SEK 0.25 and no more than SEK 0.7 per share.

- Overallotment Option: The Overallotment option consists of an issue of no more than 19,870,410 additional units, with deviation from the shareholders' preferential rights, at the same terms as in the Rights Issue. The Overallotment Option may be exercised to in order to enable full set-off of the convertible loan raised by the Company from a consortium of existing shareholders during the fourth quarter of 2022 and additional allocation in the event of oversubscription in the Rights Issue. Should the Overallotment option be fully exercised, the Company will initially receive proceeds amounting to approximately SEK 10.1 million before deduction of transaction costs. Upon full exercise of the Overallotment Option and subsequent exercise of all warrants issued through the Overallotment Option, the Company may receive additional proceeds amounting to approximately SEK 1.7 million to SEK 4.6 million before deduction of transaction costs (depending on the final subscription price for the new shares that may be subscribed for by exercise of the warrants in the interval set forth above).
- Commitment Consideration Issue: The Commitment Consideration Issue consists of an issue of no more than 19,075,591 shares with deviation from the shareholders' preferential rights to enable payment of commitment consideration to guarantors in the Rights Issue in the form of new shares.

Background and Motive for the Rights Issue

The main reason for the Rights Issue is to finance the Company's continued commercial expansion, primarily in the United States. QorumPartners, which is a service company in *Managed Remote Patient Monitoring*, was established in the beginning of 2022 and has since grown rapidly. In August 2022, Coala Life acquired Vitrics, which also is service company within the Managed Remote Patient Monitoring space. Sales of the medical device Coala Heart Monitor has developed well, with an increasing number of recurring customers and in Sweden the sales organization has been reorganized to create a better offering for the Swedish healthcare system. In the spring of 2022, the Coala Heart Monitor received 510K approval for use in lung auscultation. Coala Life's patient platform and software has been further developed and multiple milestones related to this have been reached.

To ensure that the Company has the best conditions to build and grow its business, primarily in the United States, and to develop its product offering and establish sustainable profitability, the board of directors intends to convene an extraordinary general meeting to resolve on the Rights Issue (as well as the Overallotment Option and the Commitment Consideration Issue). Upon full subscription, the Company will initially receive proceeds of approximately SEK 101 million before deduction of transaction costs. Should the Overallotment option be fully exercised, the Company will initially receive additional proceeds amounting to approximately SEK 10.1 million before deduction of transaction costs. Approximately SEK 25 million is expected to be contributed to the Company through set-off of debt. The transaction costs related to the various issues are estimated to amount to approximately SEK 10.9 million. The Company may furthermore receive additional proceeds in the event that the warrants are exercised for the subscription of new shares during the third quarter of 2023.

The expected net proceeds will, following below order of priority and with the approximate split specified in parentheses, be used for;

- Continued market penetration in the United States (50%)
- R&D (12.5%)
- Financing of day-to-day operations (37.5%)

Subscription undertakings and guarantee commitments

The Company has received subscription undertakings from existing shareholders amounting to approximately SEK 26 million, corresponding to approximately 26 per cent of the Rights Issue and from new investors amounting to approximately SEK 1.8 million, corresponding to approximately 1.8 per cent of the Rights Issue. No consideration is payable for such commitments and approximately SEK 16.4 million refers to subscription against payment by set-off of claims against the Company (mainly consisting of claims arising from the convertible loan raised by the Company during the fourth quarter of 2022).

Furthermore, the Company has received so called bottom guarantee commitments and top guarantee commitments from both existing shareholders and new investors. The bottom guarantee commitments amount to approximately SEK 38.2 million, corresponding to approximately 38 per cent of the Rights Issue. The consideration payable for such commitments corresponds to twelve (12) per cent of the committed amount in cash or fourteen (14) per cent of the committed amount in new shares in the Company. The top guarantee commitments amount to at least approximately SEK 10.5 million, corresponding to approximately 10 per cent of the Rights Issue. The consideration payable for such commitments corresponds to fourteen (14) per cent of the committed amount in cash or sixteen (16) per cent of the committed amount in new shares in the Company. Compensation to existing shareholders is only paid for the part of guarantee commitments exceeding their pro rata-share of the Rights Issue. Approximately SEK 8.7

million of the guarantee commitments refers to subscription against payment by set-off of claims against the Company (mainly consisting of claims arising from the convertible loan raised by the Company during the fourth quarter of 2022).

The subscription price for shares issued as commitment consideration to guarantors shall correspond to ninety (90) percent of the volume weighted average trading price (VWAP) of the Company's share on Nasdaq First North Growth Market during the period from and including February 7, 2023 until and including February 21, 2023 (i.e. corresponding to the subscription period in the Rights Issue), but no less than SEK 0.51 (i.e. the subscription price in the Rights Issue). The subscription price has been determined by the board of directors in consultation with the Company's financial advisor following negotiations with the guarantors and is considered to be in line with market conditions in light of the purpose of the issue, i.e. to enable payment of commitment consideration to guarantors in the Rights Issue in the form of shares having a value equal to the cash consideration offered as an alternative.

The Rights Issue is consequently covered by subscription undertakings and guarantee commitments in total amounting to approximately SEK 76.4 million, corresponding to approximately 75 percent of the Rights Issue. Neither the subscription undertakings, nor the guarantee commitments are secured through bank guarantees, blocked funds, or pledge of collateral or similar arrangement.

Allocation principles

In the event all units are not subscribed for with unit rights, the Board, limited by maximum size of the Rights Issue, shall resolve on the allotment of units subscribed for without unit rights according to following principles: (i) firstly to persons who have also subscribed for units by exercising unit rights, (ii) secondly to persons who have submitted a request for subscribing units without unit rights, and (iii) thirdly to persons that have entered into guarantee commitments with the Company.

Prospectus

Full terms and conditions for the Rights Issue, as well as more detailed information about the net proceeds, guarantee commitments etc. will be included in the EU growth prospectus that is intended to be published by the Company no later than in conjunction with the start of the subscription period of the Rights Issue ("**the Prospectus**"). The Prospectus will be published on the Company's, Redeye's, and Nordic Issuing AB's websites (www.coalalife.com, www.redeye.se, www.nordic-issuing.se) and in the Prospectus register administered by the Swedish Financial Supervisory Authority (www.fi.se/en/).

Preliminary time plan for the Rights Issue (all dates refer to 2023)

January 26	Extraordinary General Meeting
January 31	Last day of trading incl. preferential rights
February 1	First day of trading excl. preferential rights
February 2	Record date for participation in the Rights Issue with preferential rights, i.e. shareholders who are registered in the share register on this day will receive unit rights entitling them to participate in the Rights Issue with preferential rights
February 7 – February 16	Trading in unit rights (trading in paid subscribed units will commence on the same date and continue until the Rights Issue has been registered with the Swedish Companies Registration Office)

February 7 – February 21	Subscription period (with or without preferential right)
February 24	Announcement of outcome of Rights Issue
Around March 15	Rights Issue is completed and registered
September 11 – September 22	Exercise period for warrants

Increase in share capital, number of shares, and dilution

As a result of the Rights Issue, the Company's share capital may increase by no more than SEK 49,676,021.25 through the issuance of no more than 198,704,085 new shares and additionally by no more than SEK 16,558,673.75 upon exercise of warrants for subscription of no more than 66,234,695 new shares in the Company during the third quarter of 2023. Shareholders who do not participate in the Rights Issue may financially compensate for this dilution by selling their unit rights.

In addition, the Company's share capital may, upon full exercise of the Overallotment Option, be increased by no more than SEK 4,967,602.50 as a result of the issuance of no more than 19,870,410 additional new shares and additionally by no more than of SEK 1,655,867.50 upon exercise of warrants for subscription for no more than 6,623,470 additional new shares in the Company during the third quarter of 2023.

If the Rights Issue is fully subscribed, the Overallotment Option is exercised in its entirety and all issued warrants are exercised for subscription of new shares, the Company's share capital may thus increase by in total no more than SEK 72,858,165 through the issuance of a no more than 291,432,660 new shares, corresponding to a dilution of approximately 79 percent. If all guarantors in the Rights Issue also request commitment consideration in the form of new shares in the Company, the Commitment Consideration Issue will result in a further increase of the share capital of no more than of SEK 4,768,897.75 through the issuance of no more than 19,075,591 new shares, which would correspond to a total dilution (including the Rights Issue and the Overallotment Option) of no more than approximately 80 per cent.

Advisers

Redeye AB acts as financial adviser and Setterwalls Advokatbyrå AB acts as legal adviser in connection with the Rights Issue. Nordic Issuing acts as the issuing agent in 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, Russia, 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

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

For more information, please contact:

Dan Pitulia, CEO Coala Life AB
+46 70 972 08 38, dan.pitulia@coalalife.com
Richard Roa, CFO Coala Life AB
+46 70 816 61 45, richard.roa@coalalife.com

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 2022-12-23 08:00 CET.

Attachments

Coala-Life Group intends to carry out a rights issue of units, guaranteed to 75 percent, consisting of new shares and warrants of approximately SEK 101 million