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BrainCool AB (publ) carries out a rights issue of SEK 85.8 million

The board of directors of BrainCool AB (publ) ("BrainCool" or the "Company") has today, in accordance with the financing intention communicated in the Company's press release on 22 March 2024, based on the authorization granted by the annual general meeting on 11 May 2023, resolved to carry out a new issue of shares with preferential rights for the Company's existing shareholders (the "Rights Issue"). In connection with the Rights Issue, the Company has received subscription commitments from all board members and a number of the Company's shareholders, amounting to a total of SEK 20.7 million, corresponding to approximately 24.1 percent of the Rights Issue. Furthermore, the Company has received guarantee commitments from both existing shareholders and from two external guarantors amounting to a total of SEK 49.3 million, corresponding to approximately 57.5 percent of the Rights Issue, which in total is covered by subscription and guarantee commitments of a total of approximately SEK 70 million, corresponding to approximately 81.6 percent of the Rights Issue. Upon full subscription in the Rights Issue, BrainCool will receive approximately SEK 85.8 million before issue costs. To secure the Company's liquidity needs and to be able to continue with ongoing cost reduction projects and industrialization projects until the completion of the Rights Issue, the Company has entered into a bridge loan agreement totaling SEK 20 million from Buntel AB. BrainCool intends to use the proceeds from the Rights Issue, after repayment of the bridge loan, for general business-related purposes and continued investments in the Company's products BrainCool™ System, RhinoChill® System and Cooral® System.

Summary

- Those who are registered as shareholders in BrainCool on the record date 29 April 2024, will receive one (1) subscription right for each share held in the Company. Nine (9) subscription rights entitle the holder to subscribe for four (4) new shares.
- The Rights Issue comprises a maximum of 77,966,520 shares at a subscription price of SEK 1.10 per share.
- Upon full subscription in the Rights Issue, BrainCool will receive approximately SEK 85.8 million before issue costs.
- The last day of trading in the Company's shares including the right to receive subscription rights is 25 April 2024 and the first day of trading in the Company's shares without the right to receive subscription rights in the Rights Issue is 26 April 2024.
- The subscription period for the Rights Issue runs from 2 May 2024 up to and including 16 May 2024.
- The Rights Issue is covered to approximately 24.1 percent by subscription commitments and to approximately 57.5 percent by guarantee commitments. Thus, the Rights Issue is covered to 81.6

percent by subscription and guarantee commitments.

The complete terms and conditions for the Rights Issue, including additional information about the Company will be included in the EU growth prospectus that is expected to be published on or around 29 April 2024 (the "**Prospectus**").

Background and reasons for the Rights Issue

BrainCool is in an exciting phase for the business and believes that there is a great market potential and global demand for the Company's cooling products. BrainCool focuses its medical technology for cooling on the major therapeutic areas of stroke, cardiac arrest, oncology and neurological fever, all of which are considered to be common diseases and are globally prevalent. Cooling in connection with the treatment of these therapies' areas can provide significant patient benefit in the form of increased survival, reduced suffering for the patient and a reduced risk of functional impairment. Furthermore, it can lead to major health economic gains, and being at the forefront of technology and products in the therapeutic areas means a competitive advantage for the Company.

BrainCool has three products with global market potential:

BrainCool™ System/IQool™ System

During 2023 and 2024, BrainCool has worked hard on the continued expansion of the BrainCool™ System/IQool™ System. In April 2024, the Company's distribution agreement with the global medical device company ZOLL® Circulation, Inc ("**ZOLL**")® regarding the Company's product BrainCool™ System came into force, which includes binding orders of SEK 100 million for machines and disposables up to and including March 31, 2026. In April 2024, BrainCool announced that an amendment agreement has been entered into with ZOLL® regarding the Japanese market where ZOLL® will handle the registration of the BrainCool System and place a binding additional order of SEK 20 million upon regulatory approval in Japan. In addition to Japan and the United States, the agreement with ZOLL® now covers Germany, Switzerland, the Netherlands and Austria in Europe, as well as Taiwan, Malaysia, Thailand, Singapore, Indonesia, the Philippines and Pakistan in Asia. In order to be able to deliver in accordance with the agreement, the Company is in need of increased working capital. With larger orders, there is also the opportunity for efficient serial production, which will require additional investments to further increase the production rate, but above all, to significantly reduce production costs and thus increase profitability. With such investments, production is automated and streamlined to meet rising demand.

RhinoChill® System / NeuroChill® System

The RhinoChill® System is used in two groundbreaking international studies, PRINCESS 2 and COTTIS II. In March 2024, under the leadership of Karolinska Institutet, PRINCESS 2, a fully funded, 900-patient multicenter study for cooling of patients who have suffered cardiac arrest, was initiated. The Company is also about to start the clinical study COTTIS II, a fully funded 400 patient multicenter study evaluating early cooling of thrombectomy patients with the RhinoChill® System before thrombectomy treatment starts. The study is planned to start in the second quarter of 2024. In previous studies, the Company has shown that the RhinoChill® System in this indication can increase the outcome with good neurological function from 34 percent to 68 percent, which, if this were to be shown in COTTIS II as well, would revolutionize care for this patient group. The Company has identified a capital need to prepare for a launch of the RhinoChill® System when the COTTIS II study

is completed. The lead times for commercialization are long and require significant investments, including to get the RhinoChill® System market approval according to the new European legislation for medical devices, the EU Regulation MDR 2017/745 (the "**MDR Regulation**"). In addition, investments in new tools are required for the upcoming production of the RhinoChill® System.

Cooral® System

Cooral® System has received market approval (breakthrough device designation) in the U. S. from the U. S. Food and Drug Administration ("**FDA**"). The preparatory measures for the commercialization of the Cooral® System in the therapeutic area of oncology require additional investments from the Company to meet the US market.

In addition to investments in the above-mentioned products, an additional reason for the Rights Issue is the terms of the credit facility agreement with the European Investment Bank that was entered into at the end of 2023. BrainCool's right to call off tranches under the credit facility agreement is conditional upon certain conditions being fulfilled, including that the Company has been provided with equity financing of a certain size. If the conditions are met, BrainCool may choose to draw on the credit facility in different tranches. As BrainCool grows and continues to develop, a stronger balance sheet also becomes more central in negotiations with new and existing counterparties.

In the event of a fully subscribed Rights Issue, the Company will receive approximately SEK 85.8 million, before deduction of issue costs of approximately SEK 7.9 million. The Company intends to use the expected net proceeds of approximately SEK 77.8 million for the following purposes, stated in order of priority with an estimated distribution of the proceeds stated as a percentage:

1. Repayment of bridge loan (26%)
2. Financing of BrainCool's running costs, general corporate purposes, and working capital (33%)
3. Investments in BrainCool™ System (17%)
4. Investments in RhinoChill® System (20%)
5. Investments in Cooral® System (4%)

Terms of the Rights Issue

The board of directors has today, pursuant to the authorization granted by the annual general meeting on 11 May 2023, resolved to carry out the Rights Issue by issuing a maximum of 77,966,520 shares. The right to subscribe for shares shall vest in those who are registered as shareholders in the Company on the record date, 29 April 2024, whereby holdings of one (1) share entitle one (1) subscription right and nine (9) subscription rights entitle to subscription of four (4) new shares. The subscription price amounts to SEK 1.10 per share, which means that BrainCool, upon full subscription in the Rights Issue, will receive approximately SEK 85.8 million before issue costs. The subscription period runs from 2 May to 16 May 2024. Subscription rights that are not exercised during the subscription period become invalid and lose their value. Trading in subscription rights is expected to take place on Nasdaq First North Growth Market during the period 2 May - 13 May 2024 and trading in paid subscribed shares (BTA) is planned to take place during the period from 2 May 2024 up to and including 4 June 2024.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; secondly, to those who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for subscription of shares; and thirdly, to those who have provided underwriting commitments with regard to subscription of shares, in proportion to such underwriting commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Subscription commitments and guarantee commitments

BrainCool has received subscription commitments from all board members and a number of the Company's shareholders, totaling SEK 20.7 million, corresponding to approximately 24.1 percent of the Rights Issue. No compensation will be paid for subscription commitments.

BrainCool has also entered into agreements with a number of existing shareholders on guarantee commitments totaling SEK 26.3 million, corresponding to approximately 30.7 percent of the Rights Issue. Lastly, BrainCool has entered into agreements with two external guarantors regarding guarantee commitments of SEK 23 million, corresponding to approximately 26.8 percent of the Rights Issue. For the guarantee commitments from the existing shareholders, cash compensation of 6 percent of the guaranteed amount is paid and for the guarantee commitment from the external guarantors, cash compensation of 8 percent of the guaranteed amount is paid.

In total, the Rights Issue is thus covered by subscription commitments and guarantee commitments amounting to SEK 70 million, corresponding to approximately 81.6 percent of the Rights Issue. Neither the subscription nor the guarantee commitments are secured by bank guarantees, restricted funds, pledges or similar arrangements.

Preliminary timetable for the Rights Issue

25 April 2024	Last day of trading including the right to receive subscription rights
26 April 2024	First day of trading excluding the right to receive subscription rights
29 April 2024	Estimated date for publication of the Prospectus
29 April 2024	Record date for participation in the Rights Issue
2 May 2024 – 13 May 2024	Trading in subscription rights on Nasdaq First North Growth Market
2 May 2024 – 16 May 2024	Subscription period
2 May 2024 – 4 June 2024	Trading in BTA
21 May 2024	Announcement of the outcome of the Rights Issue

Change in share capital and number of shares and dilution

Through the Rights Issue, the number of shares in BrainCool will increase by a maximum of 77,966,520 shares, from 175,424,671 shares to 253,391,191 shares and the share capital will increase by a maximum of SEK 3,508,493.480080, from 7,894,110.375178 SEK to 11,402,603.855258. For existing shareholders who do not participate in the Rights Issue, this means, at full subscription, a dilution effect of approximately 30.8 percent of the votes and capital in the Company.

Bridge loan

To secure the Company's liquidity needs and to be able to continue with ongoing cost reduction projects and industrialization projects until the issue proceeds from the Rights Issue have been received, the Company has raised a bridge loan of a total of SEK 20 million from Buntel AB. The due date is the earliest of i) two banking days after registration of the Rights Issue with the Swedish Companies Registration Office and, ii) 10 October 2024. As compensation for the loan, an arrangement fee of 4.0 per cent and an interest rate of 1.0 per cent per commenced 30-day period will be charged.

Prospectus

Full terms and conditions for the Rights Issue including additional information about the Company as well as information regarding subscription commitments and guarantee commitments will be included in the Prospectus that the Company is expected to publish on or around 29 April 2024.

Advisers

Zonda Partners AB and DNB Markets, a part of DNB Bank ASA, Sweden Branch are acting as Joint Global Coordinators in connection with the Rights Issue. Setterwalls Advokatbyrå AB is acting as legal advisor to the Company and Nordic Issuing AB is acting as issuing agent in connection with the Rights Issue.

Contact**For more information**

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About Us

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 headquartered 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.

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 BrainCool. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in BrainCool will only be made through the Prospectus that BrainCool estimates to publish on or around 29 April 2024 on BrainCool's website, www.braincool.se. The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the Company's shares or any other securities. This release is not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017

/1129 (“**Prospectus Regulation**”) and has not need approved by any regulatory authority in any jurisdiction. 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 shares, warrants or other securities in BrainCool. 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. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an advertisement.

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, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland 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 BrainCool 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 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 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 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.

This press release may contain forward-looking statements which reflect the Company's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "believe", "plan", "estimate" and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

This information, the opinions and the forward-looking statements included in this press release are only applicable as of this date and may change without any notice thereof. BrainCool does not undertake to publish any updates or amendments of forward-looking statements, future events or similar circumstances other than what is required by applicable legislation.

As BrainCool conducts activities worthy of protection in accordance with the Act (2023:560) on the Screening of Foreign Direct Investments, certain investments in the Rights Issue may require review by the Swedish Inspectorate of Strategic Products. The Company will, no later than in connection with the publication of the Prospectus, publish more information about this on the Company's website, www.braincool.se.

This information is information that BrainCool 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 2024-04-15 19:58 CEST.

Attachments

[BrainCool AB \(publ\) carries out a rights issue of SEK 85.8 million](#)