

Coala-Life Group intends to carry out a fully guaranteed rights issue of approximately SEK 150 million

Coala-Life Group AB (publ) ("Coala-Life Group" or the "Company"), (Nasdaq First North Growth Market: COALA), hereby announces the Board of Directors' intention to carry out an issue of new shares of approximately SEK 150 million with preferential rights for the Company's shareholders (the "Rights Issue"). The Board of Directors will convene to an extraordinary general meeting which will be held around March 14, 2022 (the "EGM") to authorize the Board of Directors to resolve on the Rights Issue and the terms thereof. The net proceeds from the Rights Issue are mainly intended to be used to fund an accelerated market penetration in the US, research and development and general corporate purposes. The notice to the EGM will be announced through a separate press release and also include proposals to resolve on share-based incentive programs.

Summary

- The Board of Directors will convene an EGM to be held around March 14, 2022 to authorize the Board of Directors to resolve on the Rights Issue and the terms thereof. The notice to the EGM will be made public through a separate press release and also include proposals to resolve on share-based incentive programs.
- The larger existing shareholders 20 North Street Co AB and Otiva AB have expressed their support for the Rights Issue and their interest to participate. CEO Dan Pitulia and Chairman Per Carendi will also participate in the Rights Issue[1].
- The Rights Issue is fully guaranteed through subscription undertakings from current shareholders and guarantee commitments from external investors.
- Provided that the EGM resolves on the authorization and that the Rights Issue is carried out, the net proceeds are intended to be used to accelerate the Company's market penetration in the US, research and development and general corporate purposes.

Background and intention

On September 27, 2021, Coala Life (at the time RNB Retail and Brands AB) announced that the Company had entered into an agreement to acquire all shares in Coala-Life AB through an issue of new shares against payment in kind and the intention to change

listing venue for the Company's shares from Nasdaq Stockholm to Nasdaq First North Growth Market. The acquisition was completed on November 8, 2021 and in connection with this, the Company's business orientation was shifted to development, marketing and commercialization of electronic medical equipment.

The Company experiences strong demand and potential for its product offering, particularly in the US. The Company's head of US operations was appointed during the third quarter of 2021 and the Company has since continued to develop its US operations. In order to provide the Company with the best conditions to build on its operations and grow, primarily in the US, to be able to develop its product offering and achieve sustainable profitability, the Board of Directors intends, subject to authorization from the EGM, to resolve on the Rights Issue. The Rights Issue is expected to provide Coala-Life Group with approximately SEK 150 million, before transaction costs.

The net proceeds from the Rights Issue are intended, in order of priority and with an approximate proportion indicated in parentheses, to be used for:

- Accelerated market penetration in the US (75.0%).
- Research and development (12.5%).
- General corporate purposes (12.5%).

The proceeds from the Rights Issue would strengthen the Company's financial position and provide the Company with opportunity to complete its growth plan as well as the opportunity to build on the Company's platform and accelerate market penetration. In addition, the Company assesses that there is a spectrum of attractive acquisitions that could strengthen Coala Life's position within long-term monitoring, analytics and algorithm-based diagnostics. As such, the Company wants to be prepared and have the ability to make selective acquisitions to accelerate its growth.

Subscription undertakings and guarantee commitments

A number of investors have provided guarantee commitments, which together with subscription undertakings from existing shareholders, including 20 North Street Co AB and Otiva AB, in total amounts to SEK 150 million. As such, the Rights Issue is fully guaranteed through subscription and guarantee commitments whereby SEK 15 million will be provided through set-off of existing loans as a result of the Company having utilised the loan facility entered into in October 2021.

CEO Dan Pitulia and Chairman Per Carendi have committed to subscribe for approximately SEK 6.7 million in the Rights Issue by acquiring and exercising subscription rights that 20 North Street Co AB receives in the Rights Issue.[2]

Shareholders representing in total approximately 55.7 percent of the shares and votes in the Company have undertaken to at the EGM vote to authorize the Board of Directors to resolve on the Rights Issue and the terms thereof.

EGM and expected timetable for the Rights Issue

The notice to the EGM will be announced through a separate press release. The EGM is planned to take place around March 14, 2022. Provided that the EGM decides on giving the Board of Directors the necessary authorization, and that the Board of Directors carries out the Rights Issue, further information on the Rights Issue, including a detailed timetable and terms, will be announced in a separate press release. Furthermore, an EU Growth Prospectus is intended to be prepared in connection with the Rights Issue and be published on the Company's website after review and approval by SFSA. In addition to a proposed resolution regarding an authorization, the EGM will also be proposed to resolve on two different share-related incentive programs, one of which is to be directed to the

board of directors and the other to employees and consultants. The incentive programs entail that participants are offered to acquire warrants entailing the right to subscribe for new shares in the Company from and including July 2025 until and including December 2025 at a subscription price corresponding to 200 percent of the share price based on a certain measurement period that commences after completion of the Rights Issue. The incentive programs will together entail a maximum potential dilution of nine (9) percent based on the share capital, number of outstanding shares and votes after the Rights Issue. Additional information will be included in the notice, and the complete proposals.

Advisors

Carnegie Investment Bank AB (publ) acts as Sole Global Coordinator in connection with the Rights Issue. Setterwalls Advokatbyrå AB acts as legal adviser to Coala-Life Group in connection with the Rights Issue.

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This information is information that Coala-Life Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation (EU No 596/2014). The information was submitted for publication, through the agency of the contact person set out above on February 23, 2022 at 07:00 CET.

About Coala-Life Group AB (publ)

Coala Life is a medical device company founded in Sweden focusing on cloud-based cardiac and pulmonary diagnostics. The Company has developed and launched the Coala Heart Monitor – a multi-award winning, FDA-cleared and CE-approved product platform enabling long-term remote monitoring, analysis and algorithm-based diagnostics of heart and lungs in real-time. The Coala Heart Monitor is mainly marketed to healthcare providers as a Rx solution for use in patient's everyday life and home environment. The Company's solutions are based on over 10 years of R&D and are protected by more than 30 patents. The head office is based in Uppsala, Sweden and since 2019, the US office is based in Irvine, California. More than 350 care providers and 1,000 doctors are connected to the Coala Care Portal. For more information see www.coalalife.com.

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, 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.

[1] Dan Pitulia has committed to participate indirectly through related parties.

[2] Dan Pitulia has committed to participate indirectly through related parties.

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Attachments

Coala-Life Group intends to carry out a fully guaranteed rights issue of approximately SEK 150 million