

BrainCool AB (publ) cancels the loan agreement with EIB, as it is no longer appropriate for the company

BrainCool AB (publ) refrains from utilizing the loan package of EUR 12.5 million that The European Investment Bank (EIB) granted the company in December 2023. BrainCool has deemed that the relatively large loan package is no longer wholly appropriate for the company.

Jon Berg, CEO of BrainCool, comments:

- "BrainCool's current cash position is strong considering its successful right issue in May 2024 which contributed SEK 85.8 million (before costs) in new capital to the company. Utilizing even just the first tranche of the EIB loan facility would result in a loan of EUR 6 million, a cash contribution which is not deemed to be required at present."

BrainCool's sales are increasing, and the production cost reduction program is proceeding according to plan. Furthermore, BrainCool is in the process of gradually focusing its operations on its core business, which implies that some projects that were tied to the EIB financing will not be carried out. In combination, this results in lower capital requirements for BrainCool compared to when the EIB facility was agreed.

The EIB loan package was divided into two tranches of EUR 6 million and EUR 6.5 million respectively. The first tranche was due to be drawn in September 2024, and the second tranche stipulated that the first tranche had been drawn. Therefore, BrainCool needs to cancel the entire loan package in one and at the same time. The EIB loan package also implied a future dilution of shares in BrainCool via warrants. Since the EIB loan is now cancelled, there will be no such dilution.

Lotta Valfridsson, CFO of BrainCool, comments:

- "The due diligence process of being approved by the EIB for the loan facility was comprehensive and fairly resource consuming for the company during 2023. At the same time, it has given BrainCool a quality grade that will remain with the company, despite us not utilizing the facility."

BrainCool would like to thank The European Investment Bank for the cooperation.

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For more information

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About Us

BrainCool AB (publ) is an innovative medical device company that develops, markets, and sells leading medical cooling systems for indications and areas with significant medical benefits within the healthcare sector. BrainCool AB (publ) is based in Lund, Sweden, and its share is listed on Nasdaq First North Growth Market, named "BRAIN".

Eminova Fondkommission AB is the company's Certified Adviser.

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 2024-09-23 08:39 CEST.

Image Attachments

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Attachments

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