

Invitation to exercise warrants of series TO 5 B

Clinical Laserthermia Systems AB (publ)

Exercise period:
14 February – 28 February 2023

IMPORTANT INFORMATION

This information brochure constitutes marketing and is not a prospectus according to Regulation (EU) 2017/1129 of the European Parliament and of the Council. The invitation to subscribe for securities in Clinical Laserthermia Systems AB ("CLS" or the "Company") only occurs through the prospectus, which was published on 16 August 2022 (the "Prospectus") and is available on CLS's website (www.clinicallaser.se) among others. Investors are advised to consult the Prospectus before making an investment decision. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "SFSA"). The approval should not be considered as an endorsement of CLS or of the quality of the securities offered and does not constitute a guarantee by the SFSA that the information in the Prospectus (or the information brochure) is accurate and complete.

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Please note that this information brochure has been translated from Swedish. The Swedish version shall govern for all purposes and prevail in case of any discrepancy with this English version.

Minimal invasive treatment of cancer tumors

CLS is a MedTech company in commercial phase that develops and sells patent-protected treatment systems for image-guided laser-based thermal ablation of tissue, an effective and minimally invasive method with few side effects that destroys and treats illness and disease-generating tissue inside the body. Image-guided tissue ablation currently replaces traditional surgical treatment, radiotherapy, and active disease monitoring in many cases. This minimally invasive method is also used in patients who do not tolerate traditional surgical treatment and therefore are at risk of being left without an effective treatment solution.

The Company's treatment systems, which are marketed by CLS under the TRANBERG® brand and by Clearpoint Neuro Inc. under the PRISM™ brand, integrate with the hospital's imaging systems like MRI or ultrasound, and associated systems for image-guided navigation and positioning of instruments inside the body. Interventions are carried out minimally invasively with very high precision and accuracy throughout the procedure, without the use of open surgery.

The Company's commercial activities currently focus on healthcare customers in the USA, Europe, and the Asia-Pacific region with surgeries in urology, neurosurgery, and oncology. CLS' treatment systems are used in commercial treatments of localized prostate cancer, brain tumors or epileptic foci in the brain in patients with drug-resistant epilepsy. Currently, more than 300 patients have been treated with the Company's products.

Use of proceeds

During the exercise period, holders of warrants of series TO 5 B have the right to subscribe for new B-shares in CLS. Upon full exercise, CLS will receive approximately SEK 12.8 million before deduction of transaction related costs, which are estimated to amount to a maximum of approximately SEK 0.9 million. With the net proceeds of approximately SEK 12 million, the Company intends to finance the following activities:

- Continued commercial launch and market establishment.
- Ongoing clinical development and new clinical collaborations.
- Repayment of loans.
- Other operating costs linked to quality work and certification, pre-clinical testing, product adaptations, premises costs, lawyer-, trademark-, and patent costs.



Investment highlights

Several market approvals in place

CLS currently has market approvals in the USA (510(k) clearance) and Europe (CE marking) for its products with additional expected market approvals in the Asia-Pacific region in 2023.

Recurring revenue model

CLS' revenue model includes recurring revenue from sterile disposables, an alternatively treatment fee per patient by invoicing, as well as from leasing and service agreements.

A favorable gross margin

CLS today has a good gross margin on produced sterile disposable items.

Great market potential in the USA

In the USA there are today financial incentives for the use of CLS' products in the fields of urology and neurosurgery through specific reimbursements given to healthcare providers.

Strategic partnership with Soteria Medical

In February 2023, CLS entered into a strategic partnership with the Dutch company Soteria Medical BV to jointly market and sell the companies' combined product portfolios for minimally invasive MRI image-guided diagnostic and therapeutic prostate procedures in markets outside the USA. The agreement has potential to create significant sales and marketing synergies for both companies.

Partnership with leading companies

CLS has established important collaborations with global suppliers of fluoroscopy systems for imaging, such as Siemens Healthineers, GE Healthcare, Philips Healthcare and Clearpoint Neuro for instrument navigation, all whose systems are used by the healthcare system within CLS' respective market segments around the world.

Meets a broad clinical need

With its products, CLS meets a large and broad clinical need with a market potential that today amounts to roughly 1.7 million treatments per year in neurosurgery and urology alone.

Established market firms

CLS has established subsidiaries in the Company's main markets, Europe, USA, and the Asia-Pacific region.

CLS is facing an acceleration

CLS is facing a sales acceleration in the urology and neurosurgery segments in the USA and Europe as well as initial commercialization in the Asia-Pacific region.

We have reached several significant milestones in CLS since the rights issue last autumn

Since the rights issue last autumn, we have reached several significant milestones in CLS. An important step was obviously that our laser ablation system received FDA approval for use with MRI image guidance in neurosurgery as well as the subsequent and first commercial order in the USA, our most important market which we now will increase our focus on.

We are also making progress in our ongoing clinical trials. In the neurosurgery segment, patients are being treated in the study evaluating MRI image-guided LITT for ablation of glioblastoma, which brings us closer to our goal of getting the product CE marked in Europe. In the urology segment, we have been able to maintain a rapid pace of recruitment in both the ultrasound image-guided and MRI image-guided studies, why we expect to be able to finalize studies during this year. Good results will provide strong support for our continued market establishment.

It is with confidence that I look forward to a strong 2023 where we continue our sales and expansion. We believe that a stronger commercial focus in the USA provides the best conditions to quickly generate sales revenue, and it is my hope that you, as warrant holder, will continue to follow our development!

Dan J. Mogren, CEO CLS

Objectives of 2023 in summary

In the urology market segment

- Complete new commercial customer installations of treatment systems in Europe, the Asia-Pacific region and USA.
- Launch CLS' MRI-based treatment system for focal FLA treatment of localized prostate cancer in radiology departments.
- Sign new agreements with commercial partners for continued expansion of sales and distribution in Europe, the Asia-Pacific region and USA.
- Continue to produce clinical evidence for CLS' US-based treatment systems for focal FLA treatment of localized prostate cancer.
- Obtain market approval (US-FDA 510(k) clearance) for CLS' MRI-based treatment system for focal FLA treatment of localized prostate cancer in radiology departments.
- Continue to generate supporting clinical evidence for CLS' US- and MRI-based treatment systems for focal FLA treatment of localized prostate cancer.

- Obtain complete market approvals in Singapore for MRI- and US-based treatment systems for focal FLA treatment of localized prostate cancer in radiology departments and urology practices.

In the neurosurgery market segment

- Initiate the expansion of generating clinical evidence for CE marking of CLS' MRI-based treatment system for focal LITT treatment of brain lesions.
Approximately 20-30 patients at 4-6 additional neurosurgery clinics.
- Production of initial clinical evidence for upcoming CE marking of CLS MRI-based treatment system for focal LITT treatment of brain lesions.
Ongoing clinical study, Skåne University Hospital, Lund.



Dan J. Mogren, CEO CLS



In the urology segment, we have been able to maintain a rapid pace of recruitment in both the ultrasound image-guided and MRI image-guided studies, why we expect to be able to finalize studies during this year. ”

The offer in brief

Exercise period:	14 February – 28 February 2023.
Subscription price:	Each warrant of series TO 5 B entitles the holder to subscribe for one (1) new B-share in CLS at a price of SEK 0.46.
Last day of trading in TO 5 B:	24 February 2023.
Number of outstanding shares in CLS before the warrant exercise:	135,121,819.
Valuation in the current offer:	Approx. SEK 62.2 million.
Issue volume:	Upon full exercise of warrants of series TO 5 B, the Company will receive approx. SEK 12.8 million before deduction of transaction related costs.
Declarations of intent in connection with the offer:	Members of the Board and management have entered into declarations of intent in connection with the offer corresponding to approximately SEK 200,000.

Terms and conditions for warrants of series TO 5 B in summary

There are 27,722,620 outstanding warrants of series TO 5 B. For each warrant of series TO 5 B, the holder has the right to subscribe for one (1) new share in CLS at a price of SEK 0.46 per B-share. Subscription with the support of warrants of series TO 5 B can take place during the period starting from 14 February 2023, until and including 28 February 2023. Subscription shall be made by immediate cash payment no later than 17:00 CET on 28 February 2023.

As warrant holder you need to decide on the offer – here is how to exercise your warrants of series TO 5 B

For your warrants not to expire worthless, you must subscribe for new shares, with the support of warrants, at 17:00 CET on 28 February 2023, at the latest, alternatively sell your warrants no later than on 24 February 2023.

You can have your warrants registered in two ways:

1. In a securities custody account with a bank or other nominee (for example, Avanza or Nordnet), in an investment savings account (Sw. Investeringssparkonto) or endowment account (Sw. Kapitalförsäkring). Your warrants are then nominee registered.
2. In a VP-account (a VP-account starts with three zeros). Your warrants are then directly registered.

If your warrants are nominee registered

Subscription and payment of new shares, with the support of warrants, shall be made to the account-holding bank/nominee with which the warrants are registered. The subscription and payment shall be made in accordance with the instructions from each such bank or nominee. Usually, the bank/nominee sends out a digital notice to the account holder, otherwise it is usually enough to log into the securities custody account from the first day in the exercise period in order to get instructions on how to exercise warrants for subscription of new shares. If you do not find these instructions, please contact your bank or trustee. Please note that banks and other nominees may set different time limits for subscription, hence it is recommended to contact the account-holding bank/nominee early in the exercise period to obtain information about subscription and payment. This folder will be sent out to most nominee registered warrant holders. Subscribed and paid for shares may be registered as “interim shares” or “IA” into your securities custody account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary B-shares in CLS.

If your warrants are directly registered

No VP-account statement will be sent out. Subscription of new shares, with the support of warrants, shall be made by sending a completed subscription form digitally to Nordic Issuing AB. In conjunction with sending the completed subscription form to Nordic Issuing AB, payment must be made in accordance with the payment details stated on the subscription form. Subscription form will be available on Nordic Issuing website (www.nordic-issuing.se).

Completed subscription form and payment must be registered with Nordic Issuing AB no later than 17:00 CET on 28 February

2023. Subscribed and paid for shares will be registered as “interim shares” or “IA” into your VP-account until registration of the issue is completed with the Swedish Companies Registration Office, whereby interim shares will automatically be converted to ordinary B-shares in CLS.

Subscription over EUR 15,000 where applicable

If your subscription amounts to, or exceeds, EUR 15,000 a money laundering form shall be completed and submitted to Nordic Issuing AB in accordance with the Swedish Act (2017:630) on measures against money laundering and terrorist financing, while payment is made. Please note that interim shares cannot be booked out, even though payment has been received, before the money laundering form has been received by Nordic Issuing AB. Money laundering forms are obtained by Nordic Issuing AB and is available on Nordic Issuing’s website (www.nordic-issuing.se).

In case of any questions regarding the warrants of series TO 5 B, please contact Nordic Issuing AB. Sedermera Corporate Finance AB och Nordic Issuing AB is acting as financial adviser and issuing agency to CLS in connection with the warrant exercise. Markets and Corporate Law Nordic AB is the legal adviser and Shark Communication AB is the communications adviser.

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Important dates relating to warrants of series TO 5 B

14 February 2023 – The exercise period begins

24 February 2023 – Last day of trading in warrants

28 February 2023 – The exercise period ends

1–3 March 2023 – Planned communication of the outcome of the warrant exercise

24 March 2023 – Planned conversion of interim shares to B-shares

PLEASE NOTE

In order for your warrants not to expire worthless, you must actively subscribe and pay for shares by 17:00 CET on 28 February 2023, at the latest, alternatively sell your warrants no later than 24 February 2023.