

Advertisement

Exercise period: 23 January – 6 February 2024

# Invitation to exercise warrants of series TO 6 B

## Important information

This information brochure constitutes marketing and is not a prospectus within the meaning of 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") is made only by means of the prospectus published on the 12 June 2023 (the "Prospectus"), which is available, inter alia, on CLS website ([www.clinicallaser.se](http://www.clinicallaser.se)). Investors are recommended to read the Prospectus in its entirety before making an investment decision. The Prospectus has been approved and registered by the Swedish Financial Supervisory Authority (the "Finansinspektionen"). The approval should not be regarded as any kind of support for CLS or support for the quality of the securities offered and does not mean that Finansinspektionen guarantees that the factual information in the Prospectus (or the information brochure) is correct or complete.

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







## CEO comment

As we enter 2024, CLS is well positioned to achieve its goal of improving care and quality of life for patients with cancer and neurological diseases. The Company's ability to increase revenue by meeting market needs is the result of dedicated effort and commitment.

*The goal is to drastically increase the size of the addressable market during 2024 by adding requested features to the Prism Neuro Laser Therapy System.*

During the second half of last year we saw continued revenue growth and with the US market as our primary focus this year, we expect to further increase the number of treatments and customers and thus our sales revenue. Based on positive customer feedback from the

limited market introduction in the US of the Prism Neuro Laser Therapy System, CLS and Clearpoint Neuro will, together, accelerate efforts within Neurosurgery in the US market.

The goal is to drastically increase the size of the addressable market during 2024 by adding requested features to the Prism Neuro Laser Therapy System. With that said, we are also ready to unlock the potential in Europe where we continue to expand our distribution network and the pace of customer processing. We also expect to be able to penetrate the Asia-Pacific market through our product approval in Singapore, the country that is CLS's hub in the region.

**Dan J. Mogren,**  
VD CLS





## Innovative, minimally invasive treatment for cancer and neurological diseases

CLS is a commercial medical device company that develops and currently sells proprietary treatment systems for image-guided laser-based thermal tissue ablation in the treatment of localized prostate cancer, brain tumors and drug-resistant epilepsy.

CLS products enable integration with medical imaging equipment, such as magnetic resonance (MR) and ultrasound, and associated systems for image-guided navigation and positioning of surgical instruments inside the body. The procedures can therefore be performed as minimally invasive with high precision and few side effects.

Today, image-guided tissue ablation can in many cases replace radical treatments, such as traditional open surgery and radiotherapy, offering patients an alternative to active disease monitoring alone. The method also allows for treatment of patients who do not tolerate or cannot be treated with traditional surgery and who would otherwise risk being left without effective treatment options. Studies are also ongoing to evaluate to what extent the CLS treatment system can stimulate the immune system to attack metastases through a systemic immune response (imILT®) alongside the primary tumor.



### Use of proceeds



During the exercise period, holders of warrants of series TO 6 B have the right to subscribe for new B-shares in CLS. Upon full exercise, CLS will receive approximately SEK 23.5 million before deduction of transaction related costs, which are estimated to amount to a maximum of approximately SEK 1.5 million. With the net proceeds of approximately SEK 21.9 million, the Company intends to finance the following activities:

- Operating costs related to quality work and certification, pre-clinical testing, product adaptations, facility costs, legal, trademark and patent costs.
- Continued sales, commercial launch and market establishment.
- Ongoing clinical development and new clinical collaborations to support market approvals, increased reimbursement, and commercialization.

# The offer in brief

#### Exercise period:

23 January – 6 February 2024.

#### Subscription price:

Each warrant of series TO 6 B entitles the holder to subscribe for one (1) new B-share in the Company at a price of SEK 0.10.

#### Last day of trading in TO 6 B:

2 February 2024

#### Number of outstanding shares in CLS before the warrant exercise:

1,335,758,489

#### Valuation in the current offer:

Approx. SEK 133.6 million

#### Issue volume:

Upon full exercise of warrants of series TO 6 B, the Company will receive approx. SEK 23.5 million before deduction of transaction related costs.







### Innovative products meeting a growing medical need

CLS' innovative laser ablation systems are currently used to treat cancer and neurological diseases. Compared to traditional surgery, CLS systems enable more effective treatment with minimal impact on the patient's quality of life. The treatment also takes less time to perform and patients recover faster.

### Distributor partnerships for accelerated commercialization

Having started the commercialization of the Company's products in 2022, CLS is now working to accelerate sales. CLS has established marketing companies in the US and the Asia-Pacific region, a strategic global partnership with ClearPoint Neuro within neurosurgery and agreements with distributors in Europe within the prostate segment.

### Partnerships with leading companies

CLS has established important partnerships with global providers of imaging systems for image guidance, such as Siemens Healthineers, GE Healthcare, Philips Healthcare as well as Soteria Medical and Focalyx Inc for instrument navigation. CLS has also entered into an agreement with Quest International for handling the servicing of its commercial treatment systems as well as warehousing and logistics.

### Extensive market needs

With its products, CLS meets a large and broad clinical need, with a significant growth rate and a global market potential that in 2020 amounted to more than 1.4 million prostate cancer cases annually and with an additional 100,000-200,000 patients with drug-resistant epilepsy who have an untreated disease in the United States alone.

### Clinical evidence is being collected to support the Company's commercialization efforts

CLS has entered into important study collaborations, both sponsored and investigator-initiated, to build a base of clinical data to support the Company's commercialization in the form of additional market approvals, increased reimbursement levels to hospitals and scientific publications.

### Attractive revenue model and good gross margin

CLS's revenue model includes recurring revenue from the sale of sterile disposables, or payment per treatment, as well as from leasing and service agreements. CLS currently has a good gross margin on sterile disposables. In CLS's markets there are currently payment and reimbursement models, to varying degrees, for healthcare providers when using CLS products in the areas of urology and neurosurgery.

## Milestones

CLS aims to achieve a positive operating profit (EBITDA) during the financial year 2026. To accomplish this, the Company estimates that sales of just over SEK 100 million are required for the same year, with a focus on the US market, representing around 70 percent of total sales, as well as increased sales in the EU and a launch in the Asia-Pacific region in the first half of 2024. Just over 60 percent of sales are expected to originate from the urology segment.

- **Urology**
- **Neurosurgery**
- **Other operational objectives**

<b>US</b>	<b>Achieved</b>	Launch CLS UL-based treatment systems for focal FLA treatment of localized prostate cancer in urology clinics and radiology departments.
	<b>2024</b>	Enter into two to three new agreements with commercial partners for further expansion of sales and distribution.
	<b>2024-26</b>	Continue to develop clinical evidence for CLS UL-based treatment systems for focal FLA treatment of localized prostate cancer to support continued commercialization.
	<b>2024</b>	Develop a plan for clinical evidence development to obtain a category 1 reimbursement code in the US, for focal FLA treatment of localized prostate cancer, with a competitive reimbursement level.
	<b>2025</b>	Increase reimbursement rate for CLS category 3 reimbursement code in the US for focal FLA treatment of localized prostate cancer.
	<b>2025</b>	Apply for US-FDA market approval (510(k) clearance) for the CLS MRI-based treatment system for focal FLA treatment of localized prostate cancer in radiology departments.
	<b>2024-26</b>	Sell six to eight new commercial agreements with end customers per year during the period. The goal is to reach 20 active users by 2025.



EUROPE	Achieved	Product launch of CLS UL-based and MRI-based treatment systems for focal FLA treatment of localized prostate cancer in urology clinics and radiology departments.
	2024	Enter into one to four new agreements with commercial partners for further expansion of sales and distribution in Europe.
	2024-25	Continue to develop supporting clinical evidence for CLS commercialization of UL and MRI-based treatment systems for focal FLA treatment of localized prostate cancer in Europe.
	2024	Develop a plan for clinical evidence development to obtain a reimbursement code in selected countries in Europe, for focal FLA treatment of localized prostate cancer, with a competitive reimbursement level.
	2024-26	Sell four to six new commercial agreements with end customers per year during the period. The goal is to reach 15 active users by 2025.
ASIA	Achieved	Obtain market approval in Singapore for the CLS MRI and UL-based treatment system for focal FLA treatment of soft and tumor tissue including localized prostate cancer in radiology departments and urology clinics.
	2024	Launch of CLS UL-based and MRI-based treatment systems and full-service contracts for focal FLA treatment of localized prostate cancer in urology and radiology departments starting in Singapore.
	2024-26	Sell three to five new commercial agreements with end customers per year during the period.
	2024-26	Enter into one to two new agreements with commercial partners for further expansion of sales and distribution in the Asia-Pacific region.
US	Achieved	Obtain US-FDA 510(k) clearance for the Prism Neuro Laser Therapy System for MRI image-guided focal LITT treatment of brain lesions in radiology or neurosurgery departments.
	Achieved	Limited market launch via Clearpoint Neuro of the Prism Neuro Laser Therapy System for MRI image-guided focal LITT treatment of brain lesions in radiology or neurosurgery departments at four to six hospitals.
	2024	Expand the addressable market in the US by adding requested features to the Prism Neuro Laser Therapy System in collaboration with Clearpoint Neuro.
	2024	Full market launch of the Prism Neuro Laser Therapy System.
	2024-26	Conduct at least six to eight new commercial customer installations per year in the period.
EUROPE	Achieved	Development of initial clinical evidence in Europe for future CE marking of the Prism Neuro Laser Therapy System for focal LITT treatment of brain lesions. <i>Ongoing clinical study, Skånes University Hospital, Lund.</i>
	2024-26	Continued clinical evidence development for MDR CE marking of the Prism Neuro Laser Therapy System for focal LITT treatment of brain lesions.
OTHER	Achieved	Ensure certification and CE marking of CLS products in Europe to and including 2028 in accordance with MDD.
	2025	Ensure certification and CE marking of CLS products in Europe to and including 2028 in accordance with MDR.
	2024-26	Continue to secure IP assets related to CLS products and production to ensure scalability in the Company's growth.
	2024-26	Undertake recruitments as well as enter into partnerships to secure the expertise and resources necessary for CLS' commercial objectives in within Europe, the US and the Asia-Pacific region.
	2024-25	Enter into agreements with suppliers of critical components and materials to ensure production capacity and security of supply in the supply chain.



# Terms and conditions for warrants of series TO 6 B in summary

There are 234,582,810 outstanding warrants of series TO 6 B. For each warrant of series TO 6 B, the holder has the right to subscribe for one (1) new B-share in CLS at a price of SEK 0.10 per share. Subscription with the support of warrants of series TO 6 B can take place during the period starting from 23 January 2024, until and including 6 February 2024. Subscription shall be made by immediate cash payment no later than 17:00 CET on 6 February 2024.

## As warrant holder you need to decide on the offer – here is how to exercise your warrants of series TO 6 B

For your warrants not to expire worthless, you must subscribe for new B-shares, with the support of warrants, at 17:00 CET on 6 February 2024, at the latest, alternatively sell your warrants no later than the 2 February 2024.

### 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. Investeringsparkonto) 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 B-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 B-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 B-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 AB's website ([www.nordic-issuing.se](http://www.nordic-issuing.se)).

Completed subscription form and payment must be registered with Nordic Issuing AB no later than 17:00 CET on 6 February 2024. Subscribed and paid for B-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](http://www.nordic-issuing.se)).

### Note!

In order for your warrants not to expire and lose their value, you must actively subscribe and pay for B-shares no later than 5:00 p.m. CET 6 February 2024, alternatively sell your warrants no later than 2 February 2024.



## Important dates relating to warrants of series TO 6 B

- 23 January 2024 ○ The exercise period begins
- 2 February 2024 ○ Last day of trading in warrants
- 6 February 2024 ○ The exercise period ends
- 6-8 February 2024 ○ Planned communication of the outcome of the warrant exercise
- 27 February 2024 ○ Planned conversion of interim shares to B-shares

In case of any questions regarding the warrants of series TO 6 B, please contact Nordic Issuing AB. In connection with the exercise of warrants of series TO 6 B, Sedermera Corporate Finance AB and Redeye AB are Joint Lead Managers. Markets & Corporate Law Nordic AB is legal advisor and Nordic Issuing AB acts as issuing agent.

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