



Clinical Laserthermia Systems intends to decide upon a rights issue of units of approximately SEK 135 million to support ongoing market introduction and strengthen the company's capital structure

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The board of directors of Clinical Laserthermia Systems AB (publ) ("CLS" or the "Company") announces its intention to decide upon a rights issue of units corresponding to initially a maximum of approximately SEK 135 million before issue costs (the "Rights Issue"), followed by an additional maximum of approximately SEK 50 million before issue costs from attached gratuitous warrants of series TO 6 B ("TO 6 B"). To ensure the completion of the Rights Issue, an extraordinary general meeting is planned to be held on May 25, 2023. The Rights Issue, including full terms and conditions, is expected to be decided upon by the board of directors around the end of May/beginning of June 2023. The purpose of the Rights Issue and the following TO 6 B is to continue to support the ongoing market introduction and commercial launch of the new generation of TRANBERG® products primarily within the urology and neurosurgery market segments. In addition, the Company intends to enhance efforts on further clinical collaborations to effectively support the market introduction and commercialization work and to strengthen the Company's capital structure by repayment of outstanding loans. The Rights Issue is up to 75 percent committed to via pre-subscription- and underwriting commitments from existing shareholders, the Company's current lenders Buntel AB (a subsidiary of Modelio Equity AB (publ)), Lubrica Equity AB and Formue Nord Fokus A/S (the "Lenders") and external qualified investors. To ensure funding until the completion of the Rights Issue, the Company intends to raise a bridge loan of approximately SEK 15 million from the Lenders.

Summary

- The board of directors of CLS announces its intention to decide upon a rights issue of units corresponding to initially a maximum of approximately SEK 135 million before issue costs, followed by an additional maximum of approximately SEK 50 million before issue costs from the attached free of charge warrants of series TO 6 B in Q1 2024. Assuming a fully

subscribed Rights Issue and fully exercised TO 6 B to the highest exercise price, the capitalization intends to fund the Company's operations until Q1 2025, in accordance with the current strategic plan.

- To ensure funding until the completion of the Rights Issue, the Company intends to, with customary conditions, raise a bridge loan of approximately SEK 15 million from the Lenders (the "Bridge Loan").
- The purpose of the Rights Issue and subsequent exercise of series TO 6 B is to continue to support the ongoing market introduction and commercial launch of the new generation of TRANBERG® products in the US, Europe, and the Asia-Pacific region, primarily within the urology and neurosurgery market segments. In addition, the Company intends to enhance efforts on further clinical collaborations to effectively support the market introduction and commercialization work and to strengthen the Company's capital structure via the repayment of outstanding loans (including the Bridge Loan) to the Lenders.
- The Rights Issue is up to 75 percent committed to via pre-subscription- and underwriting commitments, as set out below:
 - Certain existing shareholders have provided pre-subscription commitments totaling approximately SEK 1 million, corresponding to approximately 1 percent of the Rights Issue.
 - The Lenders have entered into underwriting commitments with customary conditions amounting to approximately SEK 45 million, corresponding to approximately 33 percent of the Rights Issue. In addition, external qualified investors have entered into further underwriting commitments to the same customary conditions amounting in total to approximately SEK 55 million, corresponding to approximately 41 percent of the Rights Issue.
- The subscription period in the Rights Issue is expected to take place in June 2023.
- A prospectus containing complete terms and conditions for the Rights Issue will be made available no later than the day before the start of the subscription period.
- The Rights Issue, including complete terms and conditions, inter alia, subscription price, number of issued units, complete terms and conditions for TO 6 B, and the proposed timeline, is expected to be decided upon by the board of directors and announced around the end of May/beginning of June 2023. The subscription price in the Rights Issue is planned to be priced at a market-based discount in relation to the theoretical ex-rights price ("TERP") to attract the desired investment interest in the Rights Issue from existing shareholders, qualified investors, and the general public.
- To ensure the completion of the Rights Issue, an extraordinary general meeting is planned to be held on May 25, 2023, where an amendment to the current articles of association will be proposed to achieve the required flexibility to increase the Company's share capital if necessary. The notice will be published via a separate press release.

"CLS TRANBERG products offer today an early outpatient treatment option to the approximately 1.5 million patients diagnosed annually with localized prostate cancer. Minimally invasive, image-guided laser ablation of the prostate makes it possible to treat the disease early, rather than making patients wait until it worsens to a stage where radical treatments such as radiation or surgery can be justified. With also the latest addition of the Prism Neuro Laser Therapy System now launched in the US, for MRI image-guided ablation of lesions in the brain, we have the conditions that we believe are necessary to grow and to reach a positive operating profit in 2025. The Rights Issue provides us with a better capital structure to work from and enables us to execute our plan towards our targets for growth and profitability.", Says Dan J Mogren, CEO of CLS.

"CLS has further strengthened its position as a key provider of cost-effective image-guided ablation systems in the growing market for minimally invasive treatments. The need for fast recovery and few side effects is driving the increasing demand. The board of directors and management are very

confident about the Company's future and are grateful for the support of our shareholders and look forward to both existing and new shareholders participating in the Rights Issue aimed at ensuring CLS's continued market penetration and growth.", says Hans von Celsing, chairman of the board of directors in CLS.

Background and motive

Clinical Laserthermia Systems is a MedTech company that develops and sells products for minimally invasive image-guided laser treatment of prostate cancer, brain tumors, drug-resistant epilepsy and metastatic (spread) cancer. The product portfolio is marketed by CLS under the trademark TRANBERG® and by the Company's partner and global distributor, Clearpoint Neuro Inc. under the trademark Clearpoint Prism™. In combination with different imaging systems, such as ultrasound (UL) and magnetic resonance imaging (MRI), the market is offered integrated systems for high-precision image-guided laser ablation. The Board of Directors assesses that there is a great global need for this type of treatment and the Company has since 2018 worked to develop a second generation of its technology platform, which was launched in 2022. The new generation can be integrated with existing imaging systems, mainly UL and MRI, and systems for image-guided instrument navigation and positioning, for use in the urology and neurosurgery market segments. In addition to urology and neurosurgery, CLS' new generation of TRANBERG® products is also designed for another segment, namely oncology.

CLS has reached several important milestones, including market approval in Europe and the US, where the Company's new generation of TRANBERG® products was initially launched in 2022 for tumor ablation in localized prostate cancer within the urology market segment. To date, more than 350 patients have been treated with CLS products, mainly in the US. CLS has also taken important steps forward by entering into study collaborations to build a base of supporting clinical data. Among other things, clinical collaborations have been entered into with Radboud University Medical Center in Nijmegen, the Netherlands, and Urological Research Network LLC. in Florida, US, in the field of urology. In the spring of 2022, the Company also entered into a collaboration with Skåne University Hospital regarding a clinical study on MRI image-guided laser ablation of a brain tumor (glioblastoma). CLS's board of directors and management are experiencing great interest in and momentum forward for the Company's TRANBERG® products.

In 2022, CLS expanded its commercial activities with the launch of its second generation TRANBERG® treatment system in the urology markets in Europe and the US with a commercial focus on the treatment of localized prostate cancer. With an expected market approval for the Company's MRI-based treatment system in the US for ablation of prostate tissue, the Company intends to expand the launch in the US urology market under 2023-2024. In parallel with the ongoing commercialization, CLS intends to continue the work of developing supporting clinical evidence in relevant areas of indications. The Company also aims to successfully advance the recent collaboration with Soteria Medical in MRI image-guided stereotactic ablation of prostate cancer and to enter into further agreements with commercial partners for continued expansion of sales and distribution in Europe, the US and Asia-Pacific in the coming period.

The current working capital is, according to the board of directors' assessment, not sufficient for the actual needs of the coming twelve month period. In order to raise additional working capital, the Board of Directors intends to decide upon the Rights Issue around the end of May/beginning June 2023. With a fully subscribed Rights Issue, and a fully exercised TO 6 B at the highest exercise price, it is the Board's assessment that CLS will be able to make immediate capital structure improvements and that no further financing needs will arise until Q1 2025 at the earliest.

With the net proceeds from the Rights Issue, the Company intends to finance the following activities (in descending order of priority):

- Repayment of outstanding loans (including the Bridge Loan)
- Operational costs related to quality work and certifications, pre-clinical testing, product adjustments, facility costs, legal-, trademark- and patent costs
- Continued commercial launch and market introduction
- Ongoing clinical development and new clinical collaborations

Milestones

CLS aims to achieve a positive operating profit (EBITDA) in the financial year 2025. To accomplish this objective, the Company estimates that sales of around SEK 100 million are required for the same year, with a focus on the US market, representing around 70 percent of the total sales, as well as increased sales in the EU by the end of 2024. Over 65 percent of the sales are expected to originate from the urology segment.

The table below presents key objectives achieved as well as the Company's objectives linked to the activities that the Rights Issue, as well as TO 6 B, intends to fund.

Within the urology market segment

US

• Launch CLS UL-based treatment systems for focal FLA treatment of localized prostate cancer in urology clinics and radiology departments.	Achieved
• Continue to develop clinical evidence for CLS UL-based treatment systems for focal FLA treatment of localized prostate cancer.	2023-24
• Obtain 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.	2023
• Launch the CLS MRI-based treatment system for focal FLA treatment of localized prostate cancer in radiology departments.	2024
• Enter into two to three new agreements with commercial partners for further expansion of sales and distribution in the US.	2023-24
• Conduct eight new commercial customer installations of treatment systems in the US.	2023

Europe

• 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.	Achieved
• Continue to develop supporting clinical evidence in Europe for CLS UL and MRI-based treatment systems for focal FLA treatment of localized prostate cancer.	2023-24
• Enter into one to two new agreements with commercial partners for further expansion of sales and distribution in Europe.	2023
• Conduct four new commercial customer installations of treatment systems in Europe.	2023

Asia-Pacific region

• Obtain market approval in Singapore for MRI and UL-based treatment systems for focal FLA treatment of localized prostate cancer in radiology departments and urology clinics.	2023
• Enter into two to three new agreements with commercial partners for further expansion of sales and distribution in the Asia-Pacific region.	2023-24
• Conduct four new commercial customer installations in the Asia-Pacific region.	2023

Within the neurosurgery market segment

US

• Obtain US-FDA market approval (US-FDA 510(k) clearance) for the CLS MRI-based treatment system for focal LITT treatment of brain lesions in radiology or neurosurgery departments.	Achieved
• Market launch via Clearpoint Neuro of CLS MRI-based integrated treatment systems for focal LITT treatment of brain lesions in radiology or neurosurgery departments in four to six hospitals.	Achieved

Europe

• Generation of initial clinical evidence in Europe for future CE marking of CLS MRI-based treatment systems for focal LITT treatment of brain lesions.	Achieved
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| <ul style="list-style-type: none">• Initiate expansion of clinical evidence generation in Europe for CE marking of the CLS MRI-based treatment system for focal LITT treatment of brain lesions.
<i>Approximately 20-30 patients in neurosurgery clinics in Europe.</i> | 2023 |
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Other operational objectives

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| <ul style="list-style-type: none">• Ensure certification and CE marking of the product in Europe according to MDD/MDR. | 2023-24 |
| <ul style="list-style-type: none">• Undertake recruitments as well as enter into partnerships to secure the expertise and resources necessary within clinical support for CLS' commercial objectives in the urology segment in Europe, the US and Asia-Pacific. | 2023-24 |
| <ul style="list-style-type: none">• Enter into agreements with "second source" suppliers for critical components and materials to ensure the necessary capacity and security in the supply chain. | 2023-24 |

Pre-subscription- and underwriting commitments

The Rights Issue is up to 75 percent committed to via pre-subscription- and underwriting commitments from existing shareholders, the Lenders and external qualified investors.

Certain existing shareholders have provided pre-subscription commitments totaling approximately SEK 1 million, corresponding to approximately 1 percent of the Rights Issue.

The Lenders have entered into underwriting commitments with customary conditions amounting to approximately SEK 45 million, corresponding to approximately 33 percent of the Rights Issue. In addition, external qualified investors have entered into further underwriting commitments to the same customary conditions amounting in total to approximately SEK 55 million, corresponding to approximately 41 percent of the Rights Issue.

For underwriting commitments, a cash compensation of 12 percent of the amount underwritten is paid, alternatively an optional compensation of 14 percent in the form of units. In case the underwriters choose compensation in the form of units, these will be received through a directed offset issue after the completion of the Rights Issue at the same price as units in the Rights Issue. The Lenders may offset the payment for any units subscribed for in the Rights Issue within the scope of the provided underwriting commitments against outstanding loans to the Company (including the Bridge Loan).

No compensation is paid for the pre-subscription commitments. Pre-subscription and underwriting commitments are not secured by pre-transaction, bank guarantee or similar arrangements. Further information regarding the parties that have entered these commitments will be included in the prospectus which will be made public before the start of the subscription period.

Terms for the Rights Issue

The Rights Issue, including complete terms and conditions, inter alia, subscription price, number of issued units, complete terms and conditions for TO 6 B, and the proposed timeline, is expected to be decided upon by the board of directors and announced around the end of May/beginning of June 2023.

The subscription price in the Rights Issue is planned to be priced at a market-based discount in relation to the theoretical ex-rights price ("TERP") to attract the desired investment interest in the Rights Issue from existing shareholders, qualified investors, and the general public.

Bridge Loan

To ensure funding until the completion of the Rights Issue, the Company intends to raise the Bridge Loan of approximately SEK 15 million from the Lenders. The Bridge Loan has a set-up fee of 5 percent of the loan amount and carries a monthly interest rate of 1.5 percent.

Extraordinary general meeting

To ensure the completion of the Rights Issue, an extraordinary general meeting is planned to be held on May 25, 2023, where an amendment to the current articles of association will be proposed to achieve the required flexibility to increase the Company's share capital if necessary. Notice of the extraordinary general meeting will be published via a separate press release including a proposal for an amendment to the articles of association regarding the limits of the share capital and the number of shares.

Prospectus

A prospectus containing full terms and conditions for the Rights Issue will be published via a separate press release no later than the day before the subscription period begins and will be available on the Company's, Sedermera Corporate Finance AB's, Redeye AB's and Nordic Issuing AB's respective websites (www.clinicallaser.se, www.sedermera.se, www.redeye.se, www.nordic-issuing.se).

Advisors

Sedermera Corporate Finance AB and Redeye AB are Joint Lead Managers in connection with the Rights Issue. Markets & Corporate Law Nordic AB is legal advisor and Nordic Issuing AB acts as issuing agent in connection with the Rights Issue.

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About CLS

Clinical Laserthermia Systems AB (publ) develops and sells the TRANBERG® Thermal Therapy Systems, including Thermoguide Workstation and sterile disposables, for minimally invasive treatment of cancer tumors and drug-resistant epilepsy, according to regulatory approvals in the EU and the US. The products are marketed for image-guided laser ablation and used in studies for treatment with imILT®, the Company's interstitial laser thermotherapy for immunostimulatory ablation with potential abscopal effects. CLS is headquartered in Lund and has subsidiaries in Germany, the US and Singapore. CLS is listed on the Nasdaq First North Growth Market under the symbol CLS B. The Certified Advisor (CA) is FNCA Sweden AB, Tel: +46 8 528 00 399. E-mail: info@fnca.se.

For more information about CLS, please visit the Company's website: clinicallaser.se

Important information

This press release does not constitute an offer to acquire, subscribe for or otherwise trade in shares, warrants, unit rights, BTUs or other securities in Clinical Laserthermia Systems AB investors should not subscribe for or acquire any securities other than on the basis of the information in the prospectus that will be made public before the start of the subscription period in the Rights Issue. No action has been taken and no action will be taken to permit an offer to the public in any jurisdiction

other than Sweden.

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Neither shares, warrants, unit rights, BTUs nor any other securities have been or will be registered under the United States Securities Act of 1933 in its current wording (the "Securities Act") or the securities laws of any state or other jurisdiction in the United States and may not be offered, subscribed for, exercised, pledged, sold, resold, assigned, delivered or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States.

This press release may contain certain forward-looking statements that reflect the Company's current views on future events and financial and operational development. Words such as "intends", "estimates", "expects", "may", "plans", "believes", "anticipates" and other expressions that imply indications or predictions of future developments or trends, and that are not based on historical facts, constitute forward-looking statements. By nature, forward-looking statements involve known and unknown risks and uncertainties because they depend on future events and circumstances. Forward-looking statements do not constitute a guarantee of future results or developments and actual outcomes may differ materially from those expressed in forward-looking statements. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce 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 required by law or the rules of Nasdaq First North Growth Market.

This press release has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

This disclosure contains information that CLS is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 24-04-2023 08:00 CET.