



Calmark announces rights issue of 24.3 MSEK guaranteed to 100 percent and advance the date for the publication of the interim report for the third quarter

The Board of Directors of Calmark Sweden AB (publ) ("Calmark" or the "Company") has resolved to propose a rights issue consisting of B shares and subscription warrants (units) (the "Rights issue"). The Board of Directors has therefore resolved to convene an Extraordinary General Meeting on 6 November 2019 to resolve on the Rights issue. The convocation of the Extraordinary General Meeting will be issued in a separate press release. If the Rights issue is fully subscribed, the Company is initially provided approximately MSEK 24.3 before issuance costs. On full exercise of all associated subscription warrants, the Company will receive between MSEK 10.3 and 16.2 additionally, before issuance costs. The Rights issue is guaranteed through subscription commitments of 68 per cent, of which 50 per cent are subscriptions with the support of unit rights and 18 per cent subscriptions without unit rights, as well as guarantee commitments of 32 per cent, which then in total corresponds to 100 per cent of the initial issue volume. Due to the Rights issue, the Company will advance the date for the Company's interim report for the third quarter to 13 November 2019.

Calmark is developing a point-of-care (POC) diagnostic instrument that is tailored to measure biomarkers for medical conditions in newborns and produce a result more quickly and easily than existing methods. Calmark is now entering a new phase, where the Company moves from a product development company to becoming a commercial MedTech company. Calmark estimates that the Company's three initial tests, which identify conditions such as jaundice, low blood sugar levels and asphyxia, will obtain their CE conformity markings around year-end 2019/2020, and that the market launch will start in 2020. During the first half of 2020, the Company intends to commence launch in the Nordic countries, Vietnam and the United Kingdom. Calmark is currently focusing on building a network of distributors, and on developing the Company's operations and organization. The establishment of production is proceeding in parallel.

The main reason for the Rights issue is to obtain resources to finance the market launch of the platform, focusing on building distributor networks, automating the production line for the single-use item with the aim of reducing production costs and conducting clinical studies. For additional information, please see the separate press release with convocation of the Extraordinary General Meeting.

Use of proceeds

Use of proceeds from the initial rights issue

The net proceeds (up to approximately MSEK 21.6, less issuance costs and fees for guarantee commitments amounting to approximately MSEK 0.5 in total) are estimated to be sufficient to fund the Company's market launch according to plan; the amount shall be distributed according to the following priority order:

- Production line for the disposable item: approximately 43 percent
- Research and development work incl. clinical studies: approximately 24 percent
- Running operating costs and capital buffer: approximately 33 percent

Use of proceeds from exercise of subscription warrants

The net proceeds from the subscription warrants will amount to MSEK 9.8 – 15.5, and are expected to be received between December 2020 and January 2021. They are planned to be allocated for continued production efficiencies, sales and marketing initiatives and development work.

Summary of the Rights issue

- Shareholders in the Company have preferential rights to subscribe for one (1) unit in the rights issue for every twenty-one (21) shares held on the record date, 13 November 2019. Each unit consists of twelve (12) new B shares and four (4) subscription warrants of series 2019/2020 free-of-charge.
- The subscription period is between 15 November 2019 and 29 November 2019.
- The subscription price is SEK 39.60 per unit, corresponding to SEK 3.30 per share.
- The subscription warrants are issued free-of-charge.
- Each subscription warrant entitles the holder to subscribe for one B share, at a subscription price calculated as 75 percent of the volume-weighted average price during the period 12 October 2020 up to and including 23 October 2020, but not less than SEK 4.20 or more than SEK 6.60. Subscription for shares with warrants will be possible during the period between 4 December 2020 and 16 December 2020 inclusive.
- If the Rights issue is fully subscribed, the Company is initially provided approximately MSEK 24.3 before issuance costs, and, on full exercise of all associated subscription warrants, between MSEK 10.3 and 16.2 additionally.
- The Company intends to apply for admission to trading of the warrants of series 2019/2020 on the Spotlight Stock Market.

- An information memorandum regarding the Rights issue is planned to be made public on 14 November 2019 at the latest.
- The Company has received subscription commitments, amounting to approximately MSEK 16.5 (corresponding to 68 percent of the total amount of the Rights issue). The Company has also received commitments from a guarantee consortium of qualified investors, amounting to approximately MSEK 7.8 (corresponding to 32 percent of the total amount of the Rights issue). The Rights issue is hence guaranteed up to 100 percent of the initial issue amount.
- The Board of Directors's proposal is subject to approval of an Extraordinary General Meeting, which will be held on 6 November 2019.

The Rights issue

The Board of Directors has decided to convene an Extraordinary General Meeting to be held on 6 November 2019. The Board of Directors proposes that the EGM resolves to carry out a new issue of units consisting of B shares and subscription warrants. The Rights issue will entail that the Company's share capital increases by at most SEK 736,668 through the issue of at most 7,366,680 B shares, each with a quota value of SEK 0.10. In addition to this, 2,455,560 subscription warrants at the most will be issued, each one carrying the right to subscribe for one B share in the Company during the period between 4 December 2020 and 16 December 2020 inclusive. On full exercise of the warrants, the share capital will increase additionally by SEK 245,556 at the most, through the issuance of a maximum of 2,455,560 B shares, each with a quota value of SEK 0.10.

If the Rights issue is fully subscribed, the Company is initially provided approximately MSEK 24.3 before issuance costs. On full exercise of the subscription warrants, the Company will receive between MSEK 10.3 and 16.2 additionally, before issuance costs.

Shareholders in the Company on the record date, 13 November 2019, shall have preferential rights to subscribe for units in relation to their respective number of shares held on that date (regardless of class of shares). Shareholders will receive one (1) unit right for each share they hold in the Company on the record date. Every twenty-one (21) unit rights will entitle the holder to subscribe for one (1) unit consisting of twelve (12) B shares and four (4) subscription warrants of series 2019/2020 free-of-charge. Every unit shall be subscribed at a price of SEK 39.60, corresponding to a subscription price of SEK 3.30 per share. The subscription warrants shall be issued free-of-charge.

Subscription and guarantee commitments

The Company has received subscription commitments, amounting to approximately MSEK 16.5 (corresponding to 68 percent of the total amount of the Rights issue). The subscription commitments are distributed between MSEK 12.2 with support from unit rights and MSEK 4.3 without support from unit rights. Subscription commitments have been provided by existing shareholders (privately or through companies), including Lars Wingefors, Johnny Olsson, Mathias Karlsson, Anna Söderlund, and by new investors. Wingefors Invest AB's subscription commitment is limited to the highest level that does not trigger a bid obligation. The Company has also received commitments from a guarantee consortium of qualified investors, amounting to approximately MSEK 7.8 (corresponding to 32 percent of the total amount of the Rights issue). The Rights issue is hence guaranteed up to 100 percent of the initial issue amount.

Preliminary timetable for the Rights issue (all dates referring to 2019)

6 November – Extraordinary General Meeting held to consider the Board of Directors's proposal to carry out the Rights issue
 11 November – Last day of trading in the Company's share including the right to receive unit rights
 12 November – First day of trading in the Company's share excluding the right to receive unit rights
 13 November – Record date for obtaining unit rights
 14 November – Estimated publication date for the information memorandum
 15 November - 27 November – Trading in unit rights on Spotlight Stock Market
 15 November - 29 November – Subscription period (subscription by payment)
 24 November – Trading in paid subscription units (BTU) begins, and continues until the Rights issue is registered with the Swedish Companies Registration Office

Extraordinary General Meeting

The rights issue is subject to approval of an Extraordinary General Meeting of the Company's shareholders. An Extraordinary General Meeting will be held on Wednesday, 6 November 2019, at 15:30, at the Company's premises, Karlstad Innovation Park, Sommargatan 101A, 656 37 Karlstad, Sweden. The notice of convocation will be given in a separate press release.

Bringing forward publication of interim report for the third quarter

Calmark furthermore announces that the date of publication of the interim report for the third quarter of 2019 will be brought forward as a consequence of the new issue of units. The interim report will be made public on 13 November 2019. The previously disclosed date of publication was 25 November 2019.

Adviser

Stockholm Corporate Finance acts as financial adviser. Moll Wendén Advokatbyrå AB acts as legal adviser. Hagberg & Aneborn Fondkommission AB is the issuing agent in connection with the Rights issue.

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This information is information that Calmark Sweden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 7 October 2019 8.00 CEST.

Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.

Calmark Sweden AB (publ) is a medical technology company developing a point-of-care (POC) analysis method that can provide decision-making support in the care of newborns more quickly and easily than existing methods. The unique test platform consists of a reader and disposable products, and is expected to be ready for launch in 2020 along with three important point-of-care tests. WHO expects 1.5 billion children to be born in the world prior to 2030. In the Western World, POC diagnostics can save money and make the continuum of care more efficient. In less developed health systems, the product will contribute to saving lives. Calmark's goal is to become a leading player in POC diagnostics for newborns and, in the long term, to supply all relevant tests for the newborn's first period of life, wherever they are born. The B share is listed on the Spotlight Stock Market and is traded under the CALMA B ticker. Read more about Calmark at www.calmark.se.

About Stockholm Corporate Finance

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