

Scandinavian Real Heart AB (publ)

June 2024

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The Offering

Terms

Terms	<i>One (1) share gives one (1) unit right. One (1) unit right enables the shareholder to subscribe for one (1) unit</i>
Unit	<i>Two (2) shares and one (1) TO3n</i>
Subscription price	<i>0.50 SEK per unit and 0.25 SEK per share</i>
Issue size	<i>SEK 48.5 million</i>
Maximum number of new shares	<i>193.9 million</i>
Indicative subscription period	<i>June 12 – July 5, 2024</i>
Pre-money valuation	<i>SEK 24.2 million</i>
Subscription & underwriting commitments	<i>50 percent</i>

Time table

Record day	<i>June 10, 2024</i>
Subscription period for the Rights Issue	<i>June 12 – July 5, 2024</i>
Trading with UR (Unit Rights)	<i>June 12 – 2 July, 2024</i>
Trading with PSU (Paid Subscribed Unit)	<i>June 12 – approximately week 30, 2024</i>

Warrants of serie TO3

Subscription price	<i>70 percent of VWAP during the ten days prior to the subscription period</i>
TO3 Rights	<i>2 warrants of series TO3 entitles the holder to subscribe for one (1) new share in the Company</i>
TO3 exercise period	<i>March 3 2025– March 31 2025</i>

Step 1

One (1) current share gives one (1) unit right

1 x
SH



1 x
UR

Step 2

One (1) unit right gives the right to subscribe for one (1) unit

1 x
UR



1 x
UN

Step 3

One (1) unit consists of two (2) shares and one (1) warrant of series TO3

1 x
UN



2 x
SH

1 x
WA

Realheart in short

Background

- Realheart develops a total artificial heart ("TAH") designed to imitate the human heart
- Realheart® TAH aims to be a permanent TAH solution for patients who suffer from heart failure, the leading cause of death in the world
- Limited availability of donor organs and an extensive waiting lists for heart transplants
- Realheart® TAH is the best option due to its superior batterytime, minimal noise and lowest hemolysis rate, based on competitors

Key persons in the company

Azad Najar, Founder: Licensed doctor and inventor of Realheart® TAH. Since 1999, he has focused on developing an artificial heart that closely mimics the human heart, leading to the creation of Realheart

Ina Laura Perkins, CEO : Holds a PhD in Medicine, an M.Sc. in Innovation & Entrepreneurship, an M.Sc. in Biomedicine, and an Executive MBA in Financial Management. She has extensive experience in medical innovation, particularly in human blood

Rationale

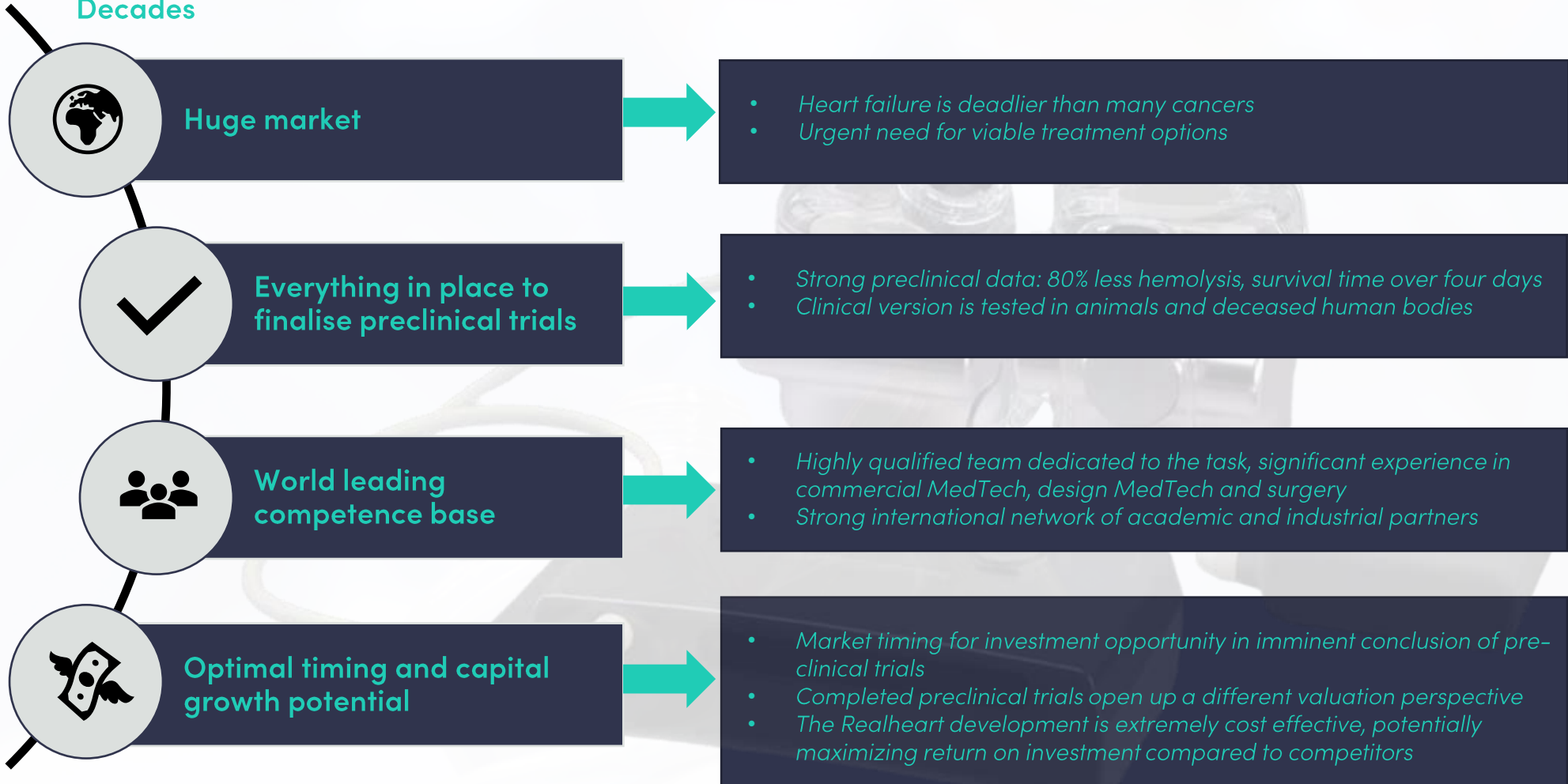
- In 2024, Realheart aims to finalise the preclinical trials to be able to begin their clinical trials in 2025/2026 on humans
- To conclude preclinical trials, Realheart plans a rights issue of approximately SEK 48.5 million
- The capital raised will be allocated accordingly:
 - Preclinical studies (80%)
 - Regulatory work (5%)
 - Company expenses (15%)

Ownership structure (2024-03-31)

Company	Number of shares	Votes (%)
European Innovation Council Accelerator	18 300 000	18,9
Eskilstunahem Fastighets AB	7 900 018	8,1
Total shareholders with >5%	26 200 018	27,1
Other shareholders	70 794 428	72,9
Total	96 994 446	100,0

Investment Case

The Market for a Well Functioning TAH is Immense and Will Have Much Larger Demand Than Supply for Decades



The Market is in Desperate Need of a new TAH

Immediate Addressable Market of 2 000 patients in the US and EU	Huge market potential
<ul style="list-style-type: none"> ▪ 1% of patients listed for a heart transplant equals revenue of SEK 150 million ▪ 25% of the addressable market (2 000 patients) equals revenue of SEK 3.750 billion ▪ Patient need for TAHs is approximately 200 000 - 300 000/ year according to Carmat and SynCardia* 	<ul style="list-style-type: none"> ▪ Only 2% of patients in need of heart transplants are treated ▪ There is a direct need for a new TAH on the market since the leading product, SynCardia®, has low user-friendliness and old technology which causes unwanted side effects ▪ Urgent need for viable treatment options ▪ More than 8 300 patients with severe heart failure are currently listed for a heart transplant in Europe and the US

Several indications that Realheart is significantly better than competitors

DEVICE	SynCardia	Carmat	BiVACOR	Realheart
Physiological pulsatility	✗	✗	✗	✓
Single driveline	✗	✓	✓	✓
Sensor-based self regulation	✗	✓	✗	✓
Blood compatibility	✗	Unknown	Unknown	✓
Silent	✗	✓	✓	✓
External weight	6 kg	3 kg	Unknown	1/2kg
Battery life	3 h	4 h	Unknown	5/12 h
Pump design (user friendly)	✗	✗	✓	✓
Manufacturability	✗	✗	✓	✓

*Source: Company information, Carmat's estimated need: 200 000 TAHs / year (US and EU) (Reuters 2003), SynCardia's estimated need: 300 000 TAHs / year (US alone) (SynCardia Systems, 2023)

Recent Major Achievements Strengthen Realheart's Position



Agreement with Sahlgrenska University Hospital for clinical trials



Anatomical improvements in the design of the heart pump, the new design has reduced unused space for a more compact design



Strong preclinical data, important milestone towards clinical trials



Another successful animal test, with improved survival time



Top preclinical blood test -Realheart TAH, induces 80% less hemolysis compared to market leader



Received a grant of SEK 4 million from Vinnova, together with its partner at the Royal Institute of Technology (KTH), to further develop the Company's transplantation system

How to subscribe units



Anmälningsedel för teckning av units
utan stöd av uniträtter i Scandinavian Real Heart AB ("Bolaget")

Teckningstid: 12 juni – 5 juli 2024
Pris per unit: 0,50 SEK, motsvarande 0,25 SEK per aktie

Tilldelning: Eventuell tilldelning meddelas genom utskick av avräkningsnota via e-post.
Likviddag: Enligt instruktion på avräkningsnota.
Villkor: Varje unit består av två (2) aktier samt en (1) teckningsoption av serie TO 3.

Om du har en depå hos Avanza eller Nordnet ska teckning göras direkt via banken.

1. Undertecknad anmäler sig för teckning av följande antal units i Bolaget:

2. Fyll i var tilldelade värdepapper ska levereras:

Om du vill teckna via ett investeringsparkonto (ISK) eller kapitalförsäkring (KF) måste du kontakta din bank/förvaltare och följa deras rutiner för hur teckning och betalning ska ske. Om detta inte görs korrekt finns en risk att vi inte har möjlighet att leverera värdepapperna till önskat konto

Depå*
Bank/Förvaltare*

3. Hur många gånger har du investerat via Nordic Issuing de senaste två åren? 0–9 ggr 10 ggr eller fler

Vid teckning över 15 000 EURO eller om svaret på ovan fråga är "10 ggr eller fler" ska en penningtvätsblankett besvaras. Blanketten skickas till dig via mail från Nordic Issuing. Nordic Issuing kan inte garantera att anmälningssedeln beaktas förrän penningtvätsblanketten är Nordic Issuing tillhanda.

4. Fyll i information nedan:

Namn*	Bolag (om tillämpligt)	Personnummer för undertecknare*
Organisationsnummer (om tillämpligt)	LEI kod (obligatoriskt för bolag)	Land (om annat än Sverige)
Telefon*	E-post*	Tecknarens signatur och datum*

*obligatoriska fält

Link to the subscription: <https://nordic-issuing.se/aktuella-uppdrag/scandinavian-real-heart-ab-4/>

Subscription with the support of unit rights

Application for subscription of securities with preferential rights can be made through Nordic Issuing if the holding of rights is registered in a VP account/. Payment must be made in connection with the submission of the application

If you have a custody account/ISK/Equity insurance, you need to contact your bank/trustee to subscribe. There are special rules for ISK/KF. Subscribe without priority through your bank and inquire about the correct payment method to ensure proper tax handling

Subscription without the support of rights

Subscription without rights can be done via Nordic Issuing or via your bank

If you have applied for subscription with the support of rights, you may also be given priority for subscription without the support of rights. To be able to take advantage of any priority, it is important that your application is made on the same account as you subscribed with priority (if your subscription with priority has been registered via your bank, you need to subscribe without priority via your bank to take advantage of the priority)

Please note that the banks' subscription period usually closes a few days early. Therefore, contact your bank early in the subscription period to find out what applies at your bank

What happens after the subscription period

In case of allocation without preferential rights, a settlement note will be sent out via e-mail with payment details.

Once the proceeds have been received, BTUs will be delivered to you and will be converted into shares and warrants when the issue is registered with the Swedish Companies Registration Office. The registration at the Swedish Companies Registration Office depends on the authority's processing time and can thus vary

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