



Lifeline SPAC I Plc

Business ID 3229349-3

**Half-Year Report**

**1 January – 30 June 2024**

19 Jul 2024

## 1 January – 30 June 2024

- Lifeline SPAC I Plc (“Lifeline SPAC I” or the “Company”) continued to evaluate and analyse high-growth technology companies in Finland and other Nordic countries during the review period.
- The operating loss for the review period was EUR 1.1 million and the result for the period was EUR 0.7 million. Typically for a SPAC company in the search phase, the Company had no revenue during the review period.
- At the end of the review period, the Company’s cash and bank receivables were approximately EUR 0.1 million.
- The funds deposited on the Company’s escrow account were approximately EUR 105.6 million<sup>1</sup>.
- After the review period on 5 July 2024, the Company disclosed that it had concluded with the shareholders of Canatu Oy a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu Oy by way of a directed share issue consisting of Lifeline SPAC I’s new shares to form a combined company. For further information, see “*Events After the Review Period*” below.
- After the review period on 5 July 2024, the Company’s Board of Directors also decided on a directed share issue of 94,995 new series A shares to the Company’s sponsors in order to complete the acquisition disclosed on 5 July 2024. Based on the commitment made on 30 September 2021, the sponsors are committed to investing additional capital in the Company by subscribing for series A shares in the Company at a subscription price of EUR 10.00 per share if the Company needs additional working capital to search for the acquisition target and complete the acquisition. For further information, see “*Events After the Review Period*” below.

*The Half-Year Report is unaudited.*

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<sup>1</sup> On 15 October 2021, the Company raised EUR 100 in gross proceeds in the initial public offering by issuing 10 million new series A shares. These proceeds are deposited in an escrow account and are primarily intended to be used on financing the growth of the target company of the acquisition. The funds deposited in the escrow account are presented in the balance sheet item Other receivables.

## **CEO Tuomo Vähäpassi:**

"Our search phase ended on July 5, 2024, when we signed an agreement to acquire all shares and rights exchangeable to shares in Canatu Oy through a share exchange.

After analysing a large pool of companies, we concluded that combining with Canatu is the best alternative for our shareholders.

Canatu is a deep technology company with strong growth potential as a technology platform for carbon nanotube applications. The company operates in a growing market, its growth in recent years has already been strong, and the high value-add it produces for its customers has been reflected in good gross margins. In addition to a strong competitive position based on differentiated technology, Canatu has a scalable business model, proven mass manufacturing capabilities, experienced management and an ambitious corporate culture. The benefits of the combination, such as the support of the Lifeline SPAC I team and investments enabled by the significant capital, are expected to support and accelerate Canatu's growth path.

The combination still needs to be approved by our shareholders in an extraordinary general meeting, which will be held on or about August 23. The combination already has strong support from our shareholders, as shareholders who represent approximately 72% of all shares, have irrevocably committed to supporting it and voting for it in the extraordinary general meeting. However, I welcome all our shareholders to the extraordinary general meeting to hear more about the combination and make their own decisions.

If our shareholders approve the combination, we will move to the next value-creation phase in accordance with our exceptional SPAC structure. We will support the combined company in the long term through the Board of Directors and in certain other ways agreed with Canatu. We believe that by doing this, Canatu optimises its potential to generate value for our shareholders and its other stakeholders."

## Lifeline SPAC I

Lifeline SPAC I is a Finnish Special Purpose Acquisition Company founded for corporate acquisitions. We raised capital with an initial public offering and listed on the SPAC segment of the regulated market of Nasdaq Helsinki on 15 October 2021 (the "IPO"). Our objective is to carry out an acquisition within 36 months from the IPO.

The Company raised EUR 100 million in gross proceeds in the IPO by issuing 10 million new series A shares. These proceeds are deposited in an escrow account<sup>2</sup> and the proceeds are primarily intended to be used on financing the growth of the target company of the Acquisition.

We offer investors an opportunity to invest in companies that retail investors or many institutional investors otherwise would not be able to invest in, because these kinds of investments are typically made by later-stage private equity funds. Our aim is to generate profit for shareholders and increase the value of the target company by supporting its growth and development also after the acquisition<sup>3</sup>.

The so-called sponsors of Lifeline SPAC I are Timo Ahopelto, Kai Bäckman, Petteri Koponen and Juha Lindfors (the "Sponsors"). At the end of the review period Timo Ahopelto, Petteri Koponen and Juha Lindfors were partners of the Lifeline Ventures venture capital firms<sup>4</sup>.

## Investment Strategy

The primary strategy of Lifeline SPAC I is to identify and acquire an unlisted target company with high growth potential operating in the technology sector. The core of our strategy is to carry out the acquisition through a share consideration, in which case the funds raised by the company from the IPO will be used to finance the growth of the target company.

Our investment strategy includes detecting such corporate acquisition targets and carrying out such acquisitions that will provide considerable long-term value to shareholders. We are seeking a target company with excellent long-term growth and internationalization potential that we, along with our Sponsors, can support and accelerate.

Our target segments include, for instance, enterprise software, healthtech, climate technology, digital consumer products and services, as well as robotics and hardware. These technology segments represent markets that are extremely large globally, with also a very strong growth outlook.

Generally speaking, the Company's investment strategy is rooted in the notion that the best possible way of creating value for the shareholders in the long term is to select a target company whose growth

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<sup>2</sup> These assets are presented in the balance sheet item Other receivables.

<sup>3</sup> The Company's Sponsors, members of the Board of Directors and management have committed to a lock-up of 24 months in respect of their series A shares after the completion of the Acquisition.

<sup>4</sup> LLV Fund Management Ltd., Lifeline Ventures Fund Management Ltd. and the funds managed by them

and development may be supported through leveraging the company's extensive expertise and experience as well as its international contact network.

## Financial development

Lifeline SPAC I's operating loss for the review period 1 January – 30 June 2024 was EUR 1.1 (0.7) million and the result for the review period was EUR 0.7 (0.2) million. Earnings per share (basic and diluted) was EUR 0.29 (0.08)<sup>5</sup>. Typically for a SPAC company in the search phase, the Company had no revenue during the review period.

The Company's employee benefits expenses, totalling EUR 0.2 (0.2) million, consisted of wages and salaries and related social security expenses.

The Company's other operating expenses, totalling EUR 0.9 (0.5) million, consisted mainly of professional services related to the search for a target company and administrative services related to the Company's operations.

The Company's financial income and expenses, totalling EUR 2.0 (0.9) million, consisted mainly of the interest income, which the Company earned on its cash reserves and for the funds deposited to the escrow account, as well as costs related to the IPO, which had been allocated as an expense to the review period.

The Company's return on equity during the review period was 17.2 (7.9) %<sup>6</sup>.

## Financial Position and Cash Flow

Lifeline SPAC I's balance sheet total on 30 June 2024 was EUR 105.8 (102.7) million. The proceeds raised from the issue of series A shares in the IPO have been deposited in an escrow account and are therefore presented in other receivables in the Company's balance sheet. Series A shares are financial instruments subject to IAS 32 and, due to the redemption clause included in them, the share subscription prices have been recognised in financial liabilities and measured at amortised cost using the effective interest rate method. Considering that the Company's 36-month period for closing the Acquisition expires in October 2024, the amortised cost has been recorded as the current debt of the Company.

At the end of the review period, the Company's cash and bank receivables were EUR 0.1 (1.2) million. If the Company needs additional working capital for the search of the target company and its operations, the Company's Sponsors have undertaken to subscribe for a maximum of 200,000 series A shares of

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<sup>5</sup> Earnings per share = Result for the financial period / Weighted average number of series B-shares during the period. Redeemable series A-shares as well as Founder and Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share.

<sup>6</sup> Return on equity = Result for the financial period / Shareholders equity (average)

the Company at a subscription price of EUR 10.00 per share. After the review period of 5 July 2024, the Company's Board of Directors also decided on a directed share issue of 94,995 new series A shares to the Sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors in order to complete the acquisition disclosed on 5 July 2024. For further information, see "Events After the Review Period" below.

The Company's cash flow from operating activities totalled EUR -0.3 (-0.4) million. There was no cash flow from investing activities and financing activities during the review period.

At the end of the review period, the Company's equity ratio was 4.3 (2.5) %<sup>7</sup> and shareholders' equity per share was EUR 1.80 (1.03)<sup>8</sup>.

## Shares, Shareholders and Share Price Development

Lifeline SPAC I's share capital was EUR 80,000 in the end of the review period and the number of shares totalled 12,500,000. Lifeline SPAC I has two series of shares. Series A shares (FI4000512496) are listed on the SPAC segment of the regulated market of Nasdaq Helsinki. Series B shares (FI4000512124) are held by the Company's Sponsors, members of the Board of Directors and management and are not publicly traded. In the end of the review period, the number of series A shares totalled 10,000,000 and the number of series B shares 2,500,000.

The average weighted number of series B shares during the review period was 2,500,000.

All of the Company's shares carry equal voting and economic rights, except for the redemption condition of series A shares and the exclusion of the right to dividend and distribution of assets and of the right to distributive share in the dissolution of the Company of series B shares. Series B shares can be converted into series A shares if the conditions set out in the Articles of Association, which are described in the Company's listing prospectus, are met.

In accordance with the Company's Articles of Association, the Company's Sponsors and the Company's founder-CEO Tuomo Vähäpassi have, until the acquisition and two years thenceforth, together the right upon written notice to the company to appoint two members of the Board, in aggregate. The General Meeting appoints the other from three to six ordinary members. The Board of Directors elects a Chair from among its members.

Lifeline SPAC I had a total of 2,679 (2,995) shareholders on 30 June 2024. The twenty largest registered shareholders held a total of 66.2 (69.0) % of all the Company's shares. Nominee-registered shareholders held a total of 7.3 (4.4) % of all the Company's shares.

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<sup>7</sup> Equity ratio = Shareholders' equity / (Balance sheet total – Advance payments received)

<sup>8</sup> Shareholders' equity per share = Equity / Number of series B-shares at the end of the financial period

The Company's 20 largest shareholders at the end of the review period were as follows:

	<b>Shareholder</b>	<b>A-shares</b>	<b>B-shares</b>	<b>Total</b>	<b>% of shares</b>
1	Oy G.W.Sohlberg Ab	1,000,000	0	1,000,000	8.00
2	Rettig Group Oy Ab	1,000,000	0	1,000,000	8.00
3	Varma Mutual Pension Insurance Company	900,000	0	900,000	7.20
4	Mandatum Life Insurance Company Limited	639,066	0	639,066	5.11
5	TSOEH Oy	35,000	375,000	410,000	3.28
6	Heikintorppa Oy	400,000	0	400,000	3.20
7	Wipunen Varainhallinta Oy	400,000	0	400,000	3.20
8	TA Ventures Oy	0	394,302	394,302	3.15
9	Långdal Ventures Oy	0	394,302	394,302	3.15
10	Decurion Ventures Oy	0	394,302	394,302	3.15
11	Sofki Oy	0	394,302	394,302	3.15
12	Ahlstrom Invest B.V	350,000	0	350,000	2.80
13	Säästöpankki Korke Plus-Sijoitusrahasto	298,017	0	298,017	2.38
14	Illusian Oy	50,000	194,118	244,118	1.95
15	Sijoitusrahasto Säästöpankki Pienyhtiöt	217,779	0	217,779	1.74
16	Kaleva Mutual Insurance Company	210,000	0	210,000	1.68
17	Op-alternative Portfolio -erikoissijoitusrahasto	170,000	0	170,000	1.36
18	Julius Tallberg Corp.	160,574	0	160,574	1.28
19	Livränteanstalten Hereditas	150,000	0	150,000	1.20
20	Procurator-Holding Oy	150,000	0	150,000	1.20
	<b>20 largest shareholders in total</b>	<b>6,130,436</b>	<b>2,146,326</b>	<b>8,276,762</b>	<b>66.21</b>

During the review period, the highest share price of the series A shares of Lifeline SPAC I on Nasdaq Helsinki was EUR 10.30 (10.50), the lowest EUR 9.60 (9.58), and the volume-weighted average price EUR 9.83 (9.92). At the end of the review period, the closing price of the share was EUR 10.00 (9.80), and the total market value of series A shares was EUR 100.0 (98.0) million<sup>9</sup>. A total of 0.2 (0.5) million series A shares were traded on Nasdaq Helsinki during the review period, corresponding to 1.8 (4.6) % of all series A shares.

In addition to series A and B shares, the Company has issued a total of 2,833,333 Sponsor and Founder Warrants, each of which entitles the holder to subscribe for one series A share under certain conditions. The terms of Sponsor and Founder Warrants are described in the notes to the Company's 2023 financial statements. If all of the issued Sponsor and Founder Warrants were exercised to subscribe new series

<sup>9</sup> Market value = Number of shares at the end of the financial period x Share price at the end of the financial period

A shares, the new shares would represent approximately 18.5% of all shares and votes in the Company<sup>10</sup>.

In addition, on 30 September 2021, the Company's Board of Directors decided to issue a maximum of 3,333,333 Investor Warrants for subscription to the holders of the Company's series A shares in connection with the completion of the Acquisition. Investor Warrants will be issued to those shareholders who have not voted against the Acquisition at the General Meeting and have not demanded the redemption of their series A shares after the General Meeting deciding on the Acquisition. Each Investor Warrant entitles the holder to subscribe for one of the Company's series A shares under certain conditions. The terms of the Sponsor, Founder and Investor Warrants are described in the notes to the Company's 2023 financial statements.

After the review period the Company's Board of Directors decided on a directed share issue of 94,995 new series A shares to the Sponsors in order to complete the acquisition disclosed on 5 July 2024. In the same connection, the Company's Board of Directors decided to raise the maximum number of Investor Warrants to be issued from 3,333,333 Investor Warrants to 3,364,998 Investor Warrants in order to ensure that there will be enough available Investor Warrants to all holders of series A shares after the new series A shares have been issued. For further information, see "*Events After the Review Period*" below.

## **The General Meeting and the Board of Directors' Authorisations**

Lifeline SPAC I Plc's Annual General Meeting was held on 19 June 2024. The Annual General Meeting adopted the Financial Statements and discharged the members of the Board of Directors and the CEO from liability for the financial period of 1 January–31 December 2023. The Annual General Meeting approved in advisory resolutions the remuneration report of governing bodies.

The General Meeting resolved, in accordance with the proposal of the Board of Directors, that no dividend is distributed for the financial period ended 31 December 2023, and that the result for the financial period is recorded in retained earnings.

It was resolved that the number of the members of the Board of Directors shall be five. In accordance with the company's Articles of Association, the sponsors have the right to appoint two Board members and the General Meeting appoints the other three Board members. The company has on 27 May 2024 received a written notice from the Sponsors, pursuant to which Timo Ahopelto and Petteri Koponen will act as the sponsor representatives in the company's Board of Directors. The General Meeting resolved to appoint Alain-Gabriel Courtines, Caterina Fake and Irena Goldenberg as members of the Board of Directors.

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<sup>10</sup> Before any potential new shares subscribed with Investor Warrants



It was resolved that the members of the Board of Directors are paid remuneration as follows: the Chair of the Board of Directors is paid an annual remuneration of EUR 15,000 and members of the Board of Directors are each paid an annual remuneration of EUR 10,000.

Authorised Public Accounting firm KPMG Oy Ab was elected as the Auditor. Authorised Public Accountant Jussi Paski will act as the Responsible Auditor. The Auditor is paid remuneration in accordance with a reasonable invoice approved by the company.

The organisational meeting of the Board of Directors, held after the Annual General Meeting, elected from among the Board members Timo Ahopelto as the Chair and Alain-Gabriel Courtines as the Vice Chair.

By unanimous resolution of the Company's shareholders on 28 September 2021, the Board of Directors has the following authorisation:

- The Board of Directors is authorised to decide on the issuance of new series A shares and/or conveyance of the series A shares held by the Company in one or more instalments against or without payment, and the issuance of special rights entitling to shares and/or share option rights by one or several decisions. The number of shares to be issued pursuant to the authorisation and the amount of shares issued or conveyed by virtue of the authorisation to issue special rights entitling to shares shall not exceed 9,000,000 series A shares. The Board of Directors is entitled to decide on the terms of the share issue or conveyance of the shares held by the Company and/or terms of the special rights entitling to shares or share option rights, including deviation from the shareholders' pre-emptive subscription right. The authorisation is valid until 28 September 2026. Based on this authorisation, the Board of Directors resolved that no more than 3,333,333 Investor Warrants are offered for subscription to the holders of the Company's series A shares in connection with the completion of the Acquisition under certain conditions.

## **The Company's Board of Directors, Management Team and Personnel**

The Board of Directors of Lifeline SPAC I has five members: Timo Ahopelto, Alain-Gabriel Courtines, Caterina Fake, Irena Goldenberg and Petteri Koponen. Timo Ahopelto acts as a Chairman and Alain-Gabriel Courtines as a Vice-Chairman.

The Company's Board of Directors resolved on 30 September 2021 to establish a Sponsor Committee consisting of Sponsors and the Chair of the Sponsor Committee to evaluate acquisition targets and make proposals to the Company's Board of Directors regarding possible acquisition targets. Ilkka Paananen was elected as a Chairman of the Sponsor Committee and Timo Ahopelto, Kai Bäckman, Petteri Koponen and Juha Lindfors as members.

The Annual General Meeting resolved on 19 June 2024 to appoint Audit firm KPMG Oy Ab as the auditor of the Company and Authorised Public Accountant Jussi Paski as Auditor in charge.

The Company's Management Team consists of CEO Tuomo Vähäpassi and CFO Mikko Vesterinen. Timo Ahopelto, the Chairman of the Company's Board of Directors, actively cooperates with the Management Team and the Chairman of the Sponsor Committee Ilkka Paananen.

In addition to the CFO, the Company had no other employees during the review period.

The members of the Company's Board of Directors, the members of the Sponsor Committee as well as the Company's CEO and CFO held, directly and through their controlled entities, the Company's shares and warrant at the end of the review period as follows:

<b>Name</b>	<b>Shareholding in Lifeline SPAC I on 30 June 2024</b>
Timo Ahopelto	394,302 series B shares
Chair of the Board of Directors and member of the Sponsor Committee	446,875 Sponsor Warrants
Alain-Gabriel Courtines	97,058 series B shares
Vice Chair of the Board of Directors	109,999 Sponsor Warrants
Caterina Fake	97,058 series B shares
Member of the Board of Directors	109,999 Sponsor Warrants
Irena Goldenberg	97,058 series B shares
Member of the Board of Directors	109,999 Sponsor Warrants
Petteri Koponen	394,302 series B shares
Member of the Board of Directors and the Sponsor Committee	446,875 Sponsor Warrants
Ilkka Paananen	50,000 series A shares
Chair of the Sponsor Committee	194,118 series B shares 220,003 Sponsor Warrants
Kai Bäckman	394,302 series B shares
Member of the Sponsor Committee	446,875 Sponsor Warrants
Juha Lindfors	394,302 series B shares
Member of the Sponsor Committee	446,875 Sponsor Warrants
Tuomo Vähäpassi	35,000 series A shares
CEO	375,000 series B shares 425,000 Founder Warrants
Mikko Vesterinen	404 series A shares
CFO	62,500 series B shares 70,833 Founder Warrants
<b>Total</b>	<b>85,404 series A shares</b> <b>2,500,000 series B shares</b> <b>495,833 Founder Warrants</b> <b>2,337,500 Sponsor Warrants</b>

## Key Business Risks and Uncertainties

The key risks and uncertainties related to Lifeline SPAC I's business are as follows:

- The Company has not previously had, nor will it prior to the Acquisition have, any operational activities with the exception of preparation of the Acquisition and negotiations, and it has not generated any revenue, and therefore it may be difficult for investors to assess the Company's ability to attain its business targets and generate revenue in the future.
- The Company may not be able to complete the Acquisition within 36 months, which may result in the discontinuation of trading in the Company's series A shares and the Company has to be placed into liquidation, in which case there is a significant risk that the investor will not recover all the invested capital.
- The Company's success and its ability to complete a successful Acquisition is contingent upon the Company's key personnel, the Board of Directors and the Company's service providers.
- The Company faces risks related to the Acquisition and actions aimed at completing the Acquisition may cause considerable costs, without the Acquisition being executed.
- The Company may encounter considerable competition in the M&A market, which may hamper the Company's chances of identifying acquisition objects and completing the Acquisition.
- The SPAC model has not established itself in Finland, the terms for SPACs or the securities used in them have not yet been standardised and any negative publicity concerning SPACs could have a negative impact on the Company and the entire SPAC market in Finland.
- If the Acquisition is completed on unfavourable terms or the business of the target company develops unfavourably, the shareholders may lose all or part of their investment.
- Risks related to the target company cannot currently be evaluated, because the Company has not yet identified a potential Acquisition target.
- The materialisation of the tax risks related to the Company may have an adverse effect on its taxation and financial standing.

The ongoing war in Ukraine and the sanctions imposed as its consequence are not currently assessed to have significant direct impact on Lifeline SPAC I's operations. However, if the war prolongs or expands, it may potentially have significant indirect impacts on Company's operations as a result of increased uncertainty and turbulence in the capital markets. Similar indirect impacts on the Company's operations may also arise from other geopolitical conflicts or their escalations, as well as from a deterioration in general economic outlook.

Risks related to the Company are also described in the Company's listing prospectus.

After the review period on 5 July 2024, the Company disclosed that it had concluded with the shareholders of Canatu Oy a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu Oy by way of a directed share issue consisting of Lifeline SPAC I's new shares to form a combined company. In connection with the combination, Lifeline SPAC I will publish a company description in accordance with Nasdaq First North Growth Market Rulebook for Issuers of Shares. The company description will present more complete information about Lifeline SPAC I, Canatu Oy and the Combination, including the merits and risks involved. The company description will be published on Lifeline SPAC I's website at the address <https://www.lifeline-spac1.com> on or about 2 August 2024.

### **Basis of Preparation and Going Concern**

In accordance with the Company's Articles of Association, if the Acquisition has not been approved in a General Meeting and completed within 36 months of the date when the shares of the Company were admitted to trading on the SPAC segment of the regulated market of Nasdaq Helsinki (i.e. by 15 October 2024), the Board of Directors of the Company shall be obligated to convene a General Meeting to decide on placing the Company into liquidation. In this situation, the General Meeting shall be obligated to approve the proposal of placing the Company into liquidation and decide on placing the Company into liquidation.

The Board of Directors considers that the liquidity of the Company on 30 June 2024 is sufficient to cover the Company's needs for at least until the Company's period for closing the Acquisition expires in October 2024. The Company's Sponsors have committed to subscribe for a maximum of 200,000 series A shares at a subscription price of EUR 10.00 per share, if the Company needs additional working capital to search target companies and finalise the Acquisition.

The conditions described above indicate that the continuity of the Company's operations for the 12 months following the date of the financial statements is contingent on the Acquisition being approved in a General Meeting and completed by 15 October 2024.

Taking into account that the Company disclosed on 5 July 2024 that it had concluded with the shareholders of Canatu Oy a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu Oy by way of a directed share issue consisting of Lifeline SPAC I's new shares to form a combined company, the Company's Board of Directors and CEO consider that, for the time being, the Company's operations meet the requirements of the going concern principle. For further information about the combination with Canatu Oy see "*Events After the Review Period*" below.

The half-year report has been prepared in accordance with the going concern principle.

## Future Outlook

Lifeline SPAC I disclosed after the review period on 5 July 2024 that it had concluded with the shareholders of Canatu Oy a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu Oy by way of a directed share issue consisting of Lifeline SPAC I's new shares to form a combined company. Considering that the completion of the combination is subject to approval by Lifeline SPAC I's shareholders in an extraordinary general meeting, and that the Company continues to operate as a SPAC for the time being, the Company does not issue any specific guidance or other future outlook.

## Events After the Review Period

- 1) On 5 July 2024, the Company concluded with the shareholders of Canatu Oy ("Canatu", and shareholders and option holders of Canatu, the "Sellers") a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu (the "Combination") by way of a directed share issue consisting of Lifeline SPAC I's new shares to form a combined company (the "Combined Company").
  - After assessing a large pool of potential acquisition targets, the Company has concluded that Canatu materially conforms to the investment criteria set by the Company, and has selected Canatu as the target company.
  - The fixed purchase price in the Combination will be paid by 21,791,821 new shares of a new class converted automatically to series A shares (the "Series A shares") in the Company after the investor warrants have been issued (the "Consideration Shares") and 1,676,752 new option rights in exchange for all shares, option rights, and other rights exchangeable to shares in Canatu, which implies an equity value of EUR 234.7 million and an estimated enterprise value of EUR 230 million as of the completion of the Combination (the "Completion")
  - The Company and the Sellers have also agreed on an additional purchase price of up to 6,499,831 Series A shares in the Combined Company, which may become payable based on the Combined Company's future volume-weighted average share price exceeding EUR 14, 18, and 22 per share, as well as on a new Option Plan 2024-II (as defined below) of 500,074 new option rights which will vest based on the Combined Company's future volume-weighted average share price exceeding EUR 14, 18, and 22 per share, entitling the holders to up to 500,074 new Series A shares in the Combined Company. For further information, see "Consideration Shares" below.
  - As a result of the Combination and the conversion of the Consideration Shares and assuming the current shareholders of the Company do not demand the redemption of

their Series A shares in connection with the Combination, Canatu's current shareholders (including the Secondary Tranche Investors (as defined below)) will hold a total of 69 per cent and the Company's current shareholders a total of 31 per cent of Series A shares of the Combined Company immediately subsequent to the Completion. The total number of Series A shares in the Combined Company will be 31,791,821 immediately subsequent to the Completion

- The Combination and listing are expected to support Canatu's growth in accordance with its strategy. Assuming current shareholders of the Company do not demand the redemption of their Series A shares in connection with the Combination, the Combination will provide Canatu with approximately EUR 105.6 million in gross proceeds (calculated on the basis of the Escrow Funds (as defined below) as of 30 June 2024 and before, for example, taxes and certain transaction costs) to finance its growth.
- In accordance with Nasdaq Helsinki's rules regarding Special Purpose Acquisition Companies ("SPACs"), the Company's Board of Directors has unanimously decided to recommend to the Company's shareholders the approval of the Combination and voting in its favour in the Company's Extraordinary General Meeting to be held on or about 23 August 2024 (the "EGM"). Certain large shareholders of the Company, i.e., Ahlstrom Invest B.V, certain investment funds of Sp-Rahastoyhtiö and WIP Asset Management, Mandatum Life Insurance Company Limited, Oy G.W.Sohlberg Ab and Varma Mutual Pension Insurance Company and certain other shareholders including the Company's management, members of the Board of Directors and sponsors, who together represent approximately 72 per cent of all votes carried by the Company's shares, have irrevocably undertaken to support the Combination and vote in its favour in the EGM.
- In connection with the Combination, certain Sellers have elected to sell a part of their shares in Canatu to certain investors (the "Secondary Tranche Investors") for a cash consideration immediately prior to the Completion. The shares correspond to approximately EUR 49.7 million, based on a fixed enterprise value for Canatu of EUR 230 million (the "Secondary Tranche"). The Secondary Tranche Investors will become Sellers and will be entitled to the consideration as set forth in the share exchange agreement, including the Consideration Shares and the additional purchase price. The Secondary Tranche Investors include leading Finnish institutional and technology investors, such as Danske Capital, First Fellow Oy, Elo Mutual Pension Insurance Company, Hannu Turunen, Ilmarinen Mutual Pension Insurance Company, Kirva Holding Oy, Mandatum Asset Management Oy, Tech Consulting Group TCG Oy, Varma Mutual Pension Insurance Company and Veikko Laine Oy.

- The Completion is subject to its approval in the EGM. The Completion is also subject to obtaining the necessary regulatory approvals, as well as to other customary conditions. After the Completion, the Combined Company will change its name to Canatu Plc (in Finnish: Canatu Oyj) and it will be headquartered in Vantaa, Finland.
  - The Company will apply for the admission of the shares of the Combined Company to trading on Nasdaq First North Growth Market Finland (the “First North Growth Market”) maintained by Nasdaq Helsinki. The listing is currently expected to take place in September 2024.
  - In connection with the Combination, Lifeline SPAC I will publish a company description in accordance with Nasdaq First North Growth Market Rulebook for Issuers of Shares.
  - After the Completion, the Combined Company will prepare consolidated financial statements in compliance with the Finnish Accounting Standards (FAS).
- 2) The Company’s Board of Directors decided on 5 July 2024 on a directed share issue of 94,995 series A shares (the “New Shares”) to the Company’s sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors (the “Sponsors”) in order to complete the acquisition disclosed on 5 July 2024.
- The Sponsors have on 30 September 2021 committed to invest a total maximum of EUR 2 million in additional capital by subscribing for a total maximum of 200,000 series A shares in the Company at a subscription price of EUR 10.00 per share if the Company needs additional working capital to search for the acquisition target and complete the acquisition. The series A shares to be subscribed for do not entitle their holders to the Company’s assets in liquidation proceedings or other distribution of assets prior to the completion of the acquisition as the Sponsors have committed (i) to waive their right to distribution of assets prior to the completion of the acquisition entitled to by the series A shares possibly subscribed for by the Sponsors and (ii) to deliver to the Company these series A shares held by them without consideration if the Company is placed into liquidation or in bankruptcy prior to the completion of the acquisition. There is a weighty financial reason for the Company as the directed share issue is carried out to ensure the Company’s necessary working capital for the completion of the acquisition.
  - The subscription price of the New Shares, corresponding to the given commitment, is EUR 10.00 per share which equals the share subscription price in the Company’s initial public offering. The number of shares to be subscribed for in the share issue is 94,995 corresponding to approximately 0.9 per cent of the current listed shares in the Company.

- The New Shares will be registered with the Finnish Trade Register on or about 16 July 2024, and they will carry shareholder rights in the Company as of the date of the registration. The Company will apply for the New Shares to be admitted to public trading on Nasdaq Helsinki Oy with the Company's other shares (trading code: LL1SPAC, ISIN code: FI4000512496) so that the trading will begin on or about 17 July 2024. The number of shares in the Company after this share issue is a total of 12,594,995 shares.
- In addition, the Board of Directors of the Company has on today 5 July 2024 decided on amending the terms and conditions of the investor warrants. The Company's Board of Directors has on 30 September 2021 resolved to issue a total maximum of 3,333,333 special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act (the "Investor Warrants"). The Investor Warrants will be offered to the holders of the Company's series A shares who have not (a) voted against the acquisition and (b) submitted a redemption request related to their shares to the Board of Directors of the Company. Each shareholder has a right, in connection with the acquisition, to one (1) Investor Warrant for each three (3) series A-shares. Each Investor Warrant entitles the holder to subscribe for one (1) new series A share in the Company. The Company's Board of Directors has decided to raise the maximum number of Investor Warrants to be issued from 3,333,333 Investor Warrants to 3,364,998 Investor Warrants in order to ensure that there will be enough available Investor Warrants to all holders of series A shares after the new series A shares have been issued.
- In addition, the Board of Directors of the Company has decided that technical change in paragraph 3.1 of the terms and conditions of the Investor Warrants will be removed by removing "or in its hold" from the sentence: "Each Investor Warrant entitles the holder of the Investor Warrant to subscribe for one (1) new or in its hold series A share of the Company".



## Tables

### Income Statement

EUR	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-31.12.2023
<b>Revenue</b>	-	-	-
<b>Employee benefits expenses</b>	<b>-194,583.17</b>	<b>-195,383.03</b>	<b>-394,838.36</b>
Wages and salaries	-168,675.78	-168,632.81	-336,399.83
Social security expenses	-25,907.39	-26,750.22	-58,438.53
Other operating expenses	-882,635.65	-542,185.88	-1,034,387.25
<b>Operating profit (-loss)</b>	<b>-1,077,218.82</b>	<b>-737,568.91</b>	<b>-1,429,225.61</b>
<b>Financial income and expenses</b>	<b>1,992,417.16</b>	<b>932,133.22</b>	<b>2,847,502.12</b>
Interest income and other financial income	2,102,016.50	1,416,222.83	3,442,441.75
Interest expense and other financial expenses	-109,599.35	-484,089.61	-594,705.36
<b>Profit (-loss) before tax</b>	<b>915,198.33</b>	<b>194,564.31</b>	<b>1,418,510.78</b>
Income taxes	-202,040.39	-	-
<b>Result for the financial period</b>	<b>713,157.94</b>	<b>194,564.31</b>	<b>1,418,510.78</b>
<b>Result for the period attributable to the shareholders of the company</b>	<b>713,157.94</b>	<b>194,564.31</b>	<b>1,418,510.78</b>
<b>Earnings per share</b>			
Basic earnings per share *	0.29	0.08	0.57
Diluted earnings per share *	0.29	0.08	0.57

The Company has not had any items in the comprehensive Profit and Loss

\* Earnings per share = Result for the financial period / Weighted average number of series B-shares during the period. Redeemable series A-shares as well as Founder and Sponsor Warrants are not taken into account as dilutive potential ordinary shares in the calculation of earnings per share.

## Balance Sheet

EUR	30.6.2024	30.6.2023	31.12.2023
<b>Assets</b>			
<b>Non-current assets</b>			
Other receivables	-	101,476,236.29	-
<b>Total non-current assets</b>	<b>-</b>	<b>101,476,236.29</b>	<b>-</b>
<b>Current assets</b>			
Other receivables	105,602,514.56	21,987.57	103,543,935.01
Accrued income	60,669.90	51,303.62	29,990.35
Cash and cash equivalents	131,976.39	1,163,703.10	417,671.59
<b>Total current assets</b>	<b>105,795,160.85</b>	<b>1,236,994.29</b>	<b>103,991,596.95</b>
<b>Total assets</b>	<b>105,795,160.85</b>	<b>102,713,230.58</b>	<b>103,991,596.95</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital	80,000.00	80,000.00	80,000.00
Reserve for invested unrestricted equity	4,284,635.82	4,284,635.82	4,284,635.82
Retained earnings / accumulated deficit	145,399.61	-1,791,704.81	-567,758.34
<b>Total equity</b>	<b>4,510,035.43</b>	<b>2,572,931.01</b>	<b>3,796,877.48</b>
<b>Non-current liabilities</b>			
Other financial liabilities (redeemable shares)	-	66,476,931.75	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>66,476,931.75</b>	<b>-</b>
<b>Current liabilities</b>			
Other financial liabilities (redeemable shares)	99,935,547.48	33,238,465.87	99,826,013.37
Accounts payable and other liabilities	1,349,577.94	424,901.95	368,706.10
<b>Total current liabilities</b>	<b>101,285,125.42</b>	<b>33,663,367.82</b>	<b>100,194,719.47</b>
<b>Total liabilities</b>	<b>101,285,125.42</b>	<b>100,140,299.57</b>	<b>100,194,719.47</b>
<b>Total equity and liabilities</b>	<b>105,795,160.85</b>	<b>102,713,230.58</b>	<b>103,991,596.95</b>

## Statement of Changes in Equity

EUR	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
<b>1.1.2023</b>	80,000.00	4,284,635.82	-1,986,269.12	2,378,366.70
Result for the period	0.00	0.00	1,418,510.78	1,418,510.78
<b>31.12.2023</b>	<b>80,000.00</b>	<b>4,284,635.82</b>	<b>-567,758.33</b>	<b>3,796,877.49</b>

EUR	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
<b>1.1.2023</b>	80,000.00	4,284,635.82	-1,986,269.12	2,378,366.70
Result for the period	0.00	0.00	194,564.31	194,564.31
<b>30.6.2023</b>	<b>80,000.00</b>	<b>4,284,635.82</b>	<b>-1,791,704.81</b>	<b>2,572,931.01</b>

EUR	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total equity
<b>1.1.2024</b>	80,000.00	4,284,635.82	-567,758.33	3,796,877.49
Result for the period	0.00	0.00	713,157.94	713,157.94
<b>30.6.2024</b>	<b>80,000.00</b>	<b>4,284,635.82</b>	<b>145,399.61</b>	<b>4,510,035.43</b>

## Statement of Cash Flows

EUR	1.1.-30.6.2024	1.1.-30.6.2023	1.1.-31.12.2023
Cash flow from operating activities			
Profit (-loss) before tax	915,198.33	194,564.31	1,418,510.78
Other adjustments*	109,534.12	484,089.61	594,705.36
Adjustment for Interest received to escrow account	-2,096,573.85	-1,396,607.19	-3,408,008.41
Change in working capital	786,146.20	300,561.41	231,368.90
<b>Total cash flow from operating activities</b>	<b>-285,695.20</b>	<b>-417,391.86</b>	<b>-1,163,423.37</b>
Cash flow from investment activities	0.00	0.00	0.00
<b>Total cash flow from investment activities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Cash flow from financing activities	0.00	0.00	0.00
<b>Total cash flow from financing activities</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Change in cash and cash equivalents</b>	<b>-285,695.20</b>	<b>-417,391.86</b>	<b>-1,163,423.37</b>
Cash and cash equivalents at the beginning of the period	417,671.59	1,581,094.96	1,581,094.96
Cash and cash equivalents at the end of the period	131,976.39	1,163,703.10	417,671.59
<b>Change</b>	<b>-285,695.20</b>	<b>-417,391.86</b>	<b>-1,163,423.37</b>

\* Other adjustment consists of amortised financial expenses.

## Corporate Information

### General information

Lifeline SPAC I Plc (hereinafter "Lifeline SPAC I" or the "Company") (Business ID: 3229349-3), is a Finnish limited liability company acting under Finnish law and planning corporate acquisition as SPAC-Company ("Special Purpose Acquisition Company").

The Company was incorporated 13.8.2021 and was registered 18.8.2021 in Helsinki, Finland. The Company is subject to Finnish laws. The Company's registered office is at Helsinki. The Company's founders are TSOEH Oy (Tuomo Vähäpassi's related party company) and Mikko Vesterinen. Company's so-called sponsors are Timo Ahopelto, Kai Bäckman, Petteri Koponen and Juha Lindfors (together the "Sponsors"). At the end of review period Timo Ahopelto, Petteri Koponen and Juha Lindfors were shareholders of Lifeline Ventures<sup>11</sup>. All Sponsors act in their role personally or through their controlled entities. Lifeline Ventures is not participating in the Company's operations.

The Company's first financial year is 13.8.2021-31.12.2021 and its registered financial year is calendar year.

The Company has not had any other business operations than administration related to establishing SPAC entity and identifying acquisition target.

### Operations and objectives

The Company's target is to complete an acquisition ("Acquisition") as defined in the applicable stock exchange rules within 36 months of the listing. The Company's investment strategy includes identifying and making Acquisitions that generate significant long-term financial added value for shareholders. The Company's strategy is primarily to identify and acquire an unlisted technology-focused company with high growth potential, which is primarily located in Finland or other Nordic countries. The focus of the Company's strategy is to complete the Acquisition entirely or almost entirely with share consideration, in which case the funds raised by the Company through the IPO will be used to finance the growth of the target company.

The Company's business is not expected to generate revenue prior to the Acquisition.

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<sup>11</sup> "Lifeline Ventures" means Lifeline Ventures Fund Management Oy, LLV Fund Management Oy and Lifeline Ventures - investment fund companies.

## Basis of Preparation

The Company's Half-Year Report has been prepared in compliance with the IAS 34 standard. The Half-Year Report has been prepared in accordance with the same preparation principles as in the Company's first IFRS financial statements for the financial year ending on 31 December 2023.

The figures in the Half-Year Report are presented in euros.

## Classification of Series A Shares

Series A shares are IAS 32 Financial instruments and, due to the redemption condition connected to them, the subscription prices of the shares are recorded as the Company's liability until the completion of the Acquisition. Considering that the Company's 36-month period for closing the Acquisition expires in October 2024, the amortised cost has been recorded as the current debt of the Company.

## Receivables

The proceeds from the IPO have been deposited to an escrow account managed by a bank independent from the Company. The funds will remain in the escrow account until the Acquisition has been completed. The funds deposited to the escrow account were a total of EUR 105.6 million

Such funds that are not available for the Company's use are presented in other receivables and are not classified as cash or cash equivalents. Considering that the Company's 36-month period for closing the Acquisition expires in October 2024 the funds deposited on the escrow account have been classified as current receivables.

The Company may not be able to complete the Acquisition within 36 months, which may result in the discontinuation of trading in the Company's series A shares and the Company has to be placed into Financial Statements 31 liquidation, in which case there is a significant risk that the investor will not recover all the invested capital.

## Events After the Review Period

- 1) On 5 July 2024, the Company concluded with the shareholders of Canatu Oy ("Canatu", and shareholders and option holders of Canatu, the "Sellers") a share exchange agreement whereby the Company acquires all shares, option rights, and other rights exchangeable to shares in Canatu (the "Combination") by way of a directed share issue consisting of Lifeline SPAC I's new shares to form a combined company (the "Combined Company").
  - After assessing a large pool of potential acquisition targets, the Company has concluded that Canatu materially conforms to the investment criteria set by the Company, and has selected Canatu as the target company.
  - The fixed purchase price in the Combination will be paid by 21,791,821 new shares of a new class converted automatically to series A shares (the "Series A shares") in the Company after the investor warrants have been issued (the "Consideration Shares")

and 1,676,752 new option rights in exchange for all shares, option rights, and other rights exchangeable to shares in Canatu, which implies an equity value of EUR 234.7 million and an estimated enterprise value of EUR 230 million as of the completion of the Combination (the “Completion”)

- The Company and the Sellers have also agreed on an additional purchase price of up to 6,499,831 Series A shares in the Combined Company, which may become payable based on the Combined Company’s future volume-weighted average share price exceeding EUR 14, 18, and 22 per share, as well as on a new Option Plan 2024-II (as defined below) of 500,074 new option rights which will vest based on the Combined Company’s future volume-weighted average share price exceeding EUR 14, 18, and 22 per share, entitling the holders to up to 500,074 new Series A shares in the Combined Company. For further information, see “Consideration Shares” below.
- As a result of the Combination and the conversion of the Consideration Shares and assuming the current shareholders of the Company do not demand the redemption of their Series A shares in connection with the Combination, Canatu’s current shareholders (including the Secondary Tranche Investors (as defined below)) will hold a total of 69 per cent and the Company’s current shareholders a total of 31 per cent of Series A shares of the Combined Company immediately subsequent to the Completion. The total number of Series A shares in the Combined Company will be 31,791,821 immediately subsequent to the Completion
- The Combination and listing are expected to support Canatu’s growth in accordance with its strategy. Assuming current shareholders of the Company do not demand the redemption of their Series A shares in connection with the Combination, the Combination will provide Canatu with approximately EUR 105.6 million in gross proceeds (calculated on the basis of the Escrow Funds (as defined below) as of 30 June 2024 and before, for example, taxes and certain transaction costs) to finance its growth.
- In accordance with Nasdaq Helsinki’s rules regarding Special Purpose Acquisition Companies (“SPACs”), the Company’s Board of Directors has unanimously decided to recommend to the Company’s shareholders the approval of the Combination and voting in its favour in the Company’s Extraordinary General Meeting to be held on or about 23 August 2024 (the “EGM”). Certain large shareholders of the Company, i.e., Ahlstrom Invest B.V, certain investment funds of Sp-Rahastoyhtiö and WIP Asset Management, Mandatum Life Insurance Company Limited, Oy G.W.Sohlberg Ab and Varma Mutual Pension Insurance Company and certain other shareholders including the Company’s management, members of the Board of Directors and sponsors, who together represent

approximately 72 per cent of all votes carried by the Company's shares, have irrevocably undertaken to support the Combination and vote in its favour in the EGM.

- In connection with the Combination, certain Sellers have elected to sell a part of their shares in Canatu to certain investors (the "Secondary Tranche Investors") for a cash consideration immediately prior to the Completion. The shares correspond to approximately EUR 49.7 million, based on a fixed enterprise value for Canatu of EUR 230 million (the "Secondary Tranche"). The Secondary Tranche Investors will become Sellers and will be entitled to the consideration as set forth in the share exchange agreement, including the Consideration Shares and the additional purchase price. The Secondary Tranche Investors include leading Finnish institutional and technology investors, such as Danske Capital, First Fellow Oy, Elo Mutual Pension Insurance Company, Hannu Turunen, Ilmarinen Mutual Pension Insurance Company, Kirva Holding Oy, Mandatum Asset Management Oy, Tech Consulting Group TCG Oy, Varma Mutual Pension Insurance Company and Veikko Laine Oy.
  - The Completion is subject to its approval in the EGM. The Completion is also subject to obtaining the necessary regulatory approvals, as well as to other customary conditions. After the Completion, the Combined Company will change its name to Canatu Plc (in Finnish: Canatu Oyj) and it will be headquartered in Vantaa, Finland.
  - The Company will apply for the admission of the shares of the Combined Company to trading on Nasdaq First North Growth Market Finland (the "First North Growth Market") maintained by Nasdaq Helsinki. The listing is currently expected to take place in September 2024.
  - In connection with the Combination, Lifeline SPAC I will publish a company description in accordance with Nasdaq First North Growth Market Rulebook for Issuers of Shares.
  - After the Completion, the Combined Company will prepare consolidated financial statements in compliance with the Finnish Accounting Standards (FAS).
- 2) The Company's Board of Directors decided on 5 July 2024 on a directed share issue of 94,995 series A shares (the "New Shares") to the Company's sponsors Timo Ahopelto, Petteri Koponen and Juha Lindfors (the "Sponsors") in order to complete the acquisition disclosed on 5 July 2024.
- The Sponsors have on 30 September 2021 committed to invest a total maximum of EUR 2 million in additional capital by subscribing for a total maximum of 200,000 series A shares in the Company at a subscription price of EUR 10.00 per share if the Company needs additional working capital to search for the acquisition target and complete the acquisition. The series A shares to be subscribed for do not entitle their holders to the



Company's assets in liquidation proceedings or other distribution of assets prior to the completion of the acquisition as the Sponsors have committed (i) to waive their right to distribution of assets prior to the completion of the acquisition entitled to by the series A shares possibly subscribed for by the Sponsors and (ii) to deliver to the Company these series A shares held by them without consideration if the Company is placed into liquidation or in bankruptcy prior to the completion of the acquisition. There is a weighty financial reason for the Company as the directed share issue is carried out to ensure the Company's necessary working capital for the completion of the acquisition.

- The subscription price of the New Shares, corresponding to the given commitment, is EUR 10.00 per share which equals the share subscription price in the Company's initial public offering. The number of shares to be subscribed for in the share issue is 94,995 corresponding to approximately 0.9 per cent of the current listed shares in the Company.
- The New Shares will be registered with the Finnish Trade Register on or about 16 July 2024, and they will carry shareholder rights in the Company as of the date of the registration. The Company will apply for the New Shares to be admitted to public trading on Nasdaq Helsinki Oy with the Company's other shares (trading code: LL1SPAC, ISIN code: FI4000512496) so that the trading will begin on or about 17 July 2024. The number of shares in the Company after this share issue is a total of 12,594,995 shares.
- In addition, the Board of Directors of the Company has on today 5 July 2024 decided on amending the terms and conditions of the investor warrants. The Company's Board of Directors has on 30 September 2021 resolved to issue a total maximum of 3,333,333 special rights entitling to shares as referred to in Chapter 10, Section 1 of the Finnish Companies Act (the "Investor Warrants"). The Investor Warrants will be offered to the holders of the Company's series A shares who have not (a) voted against the acquisition and (b) submitted a redemption request related to their shares to the Board of Directors of the Company. Each shareholder has a right, in connection with the acquisition, to one (1) Investor Warrant for each three (3) series A-shares. Each Investor Warrant entitles the holder to subscribe for one (1) new series A share in the Company. The Company's Board of Directors has decided to raise the maximum number of Investor Warrants to be issued from 3,333,333 Investor Warrants to 3,364,998 Investor Warrants in order to ensure that there will be enough available Investor Warrants to all holders of series A shares after the new series A shares have been issued.
- In addition, the Board of Directors of the Company has decided that technical change in paragraph 3.1 of the terms and conditions of the Investor Warrants will be removed by removing "or in its hold" from the sentence: "Each Investor Warrant entitles the

holder of the Investor Warrant to subscribe for one (1) new or in its hold series A share of the Company”.