Inside information: Lifeline SPAC I Plc signs a share exchange agreement to combine with Canatu Oy to form a publicly listed company

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Lifeline SPAC I Plc (“**Lifeline SPAC I**”), listed on the SPAC segment of Nasdaq Helsinki Ltd’s (“**Nasdaq Helsinki**”) regulated market, and shareholders of Canatu Oy (“**Canatu**” or the “**Company**”, and shareholders and option holders of Canatu, the “**Sellers**”) have today concluded a share exchange agreement whereby Lifeline SPAC I 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**”).

About Canatu

Canatu is a deep technology company developing advanced carbon nanotubes (“**CNTs**”) and related products and manufacturing equipment for the semiconductor (the “**Semiconductor**”), automotive (the “**Automotive**”) and medical diagnostics (the “**Medical**”) industries. These industries require extremely high-quality CNTs and offer Canatu strong growth and profitability potential. Canatu’s versatile platform technology has broad potential applications, with a current core spanning from CNT membranes for extreme ultraviolet (“**EUV**”) lithography in Semiconductor to film heaters for advanced driver-assistance systems (“**ADAS**”) in Automotive, and with electrochemical sensors in Medical being in development phase. Canatu uses a patented Dry Deposition™ methodology in manufacturing CNTs, which yields high-purity and strong CNTs.

Canatu was founded in 2004 as a spin-off from Aalto University’s Nanomaterials Group by four senior scientists specialising in materials, characterisation, and aerosol technologies. The Company has currently 127 employees representing over 30 nationalities, with approximately 20 per cent holding doctorates or being doctoral candidates. Canatu holds 188 patents and patents pending across 38 distinct families.

Canatu operates through two business models. First, the Company uses its proprietary CNT reactors to develop and manufacture advanced CNT products. Second, the Company sells its proprietary CNT reactors and licenses its related technology, allowing customers to produce advanced CNT products themselves under a limited license and Canatu to incur both fixed reactor sales net turnover and material recurring net turnover through royalties and non-discretionary consumables.

Canatu is experiencing rapid growth, with a compound annual growth rate of 108 per cent from 2020 to 2023. In 2023, Canatu’s net turnover was EUR 13.6 million and EBIT EUR -0.6 million, with approximately 80 per cent of its net turnover coming from customers in Semiconductor and approximately 20 per cent from Automotive customers. Canatu anticipates continued growth in 2024, forecasting its net turnover for the 2024 financial year to range between EUR 20 million and EUR 25 million. Based on the management’s estimate, the Company’s net turnover in H1/2024 ranges between EUR 10.5–11.5 million. See “*Canatu’s preliminary outlook for 2024*” below.

The Combined Company targets a revenue of over EUR 100 million and an EBIT margin (adjusted for goodwill amortisations underlaws and regulations governing the preparation of financial statements in Finland) (the “**Finnish Accounting Standards**” or “**FAS**”) of over 30 per cent in 2027 (the “**Long-Term Financial Targets**”). See “*The Long-Term Financial Targets of the Combined Company*” below.

About Lifeline SPAC I

Lifeline SPAC I is a Finnish Special Purpose Acquisition Company founded for corporate acquisitions. It raised gross proceeds of EUR 100 million in its initial public offering in October 2021. Lifeline SPAC I’s strategy primarily consists of recognising an unlisted company with high growth potential in the technology sector and merging with it. Lifeline SPAC I’s target segments include, for example, enterprise software, health technology, climate technology, and digital consumer credit products and services, as well as robotics and equipment. These technology segments are globally extensive, and they also share very strong growth prospects. The members of Lifeline SPAC I's Board of Directors and the Management Team as well as the sponsors have an extensive network of contacts, augmented with experience in the financing and development of growth companies within the field of technology.

Key information on the Combination

- After assessing a large pool of potential acquisition targets, Lifeline SPAC I has concluded that Canatu materially conforms to the investment criteria set by Lifeline SPAC I, 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 Lifeline SPAC I 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").[1]
- Lifeline SPAC I 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 Lifeline SPAC I 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 Lifeline SPAC I'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.[2]
- The Combination and listing are expected to support Canatu's growth in accordance with its strategy. Assuming current shareholders of Lifeline SPAC I do not demand the redemption of their Series A shares in connection with the Combination, the Combination will provide Canatu with approximately EUR 103.5 million in gross proceeds (calculated on the basis of the Escrow Funds (as defined below) as at 31 December 2023 and before, for example, taxes and certain transaction costs) to finance its growth. For further information, see "*Use of proceeds*" below.
- In accordance with Nasdaq Helsinki's rules regarding Special Purpose Acquisition Companies ("**SPACs**"), Lifeline SPAC I's Board of Directors has unanimously decided to recommend to Lifeline SPAC I's shareholders the approval of the Combination and voting in its favor in Lifeline SPAC I's Extraordinary General Meeting to be held on or about 23 August 2024 (the "**EGM**"). Certain large shareholders of Lifeline SPAC I, 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 Lifeline SPAC I's management, members of the Board of Directors and sponsors, who together represent approximately 72 per cent of all votes carried by Lifeline SPAC I's shares, have irrevocably undertaken to support the Combination and vote in its favor 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.
- Lifeline SPAC I 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.

Use of proceeds

In its initial public offering in October 2021, Lifeline SPAC I raised gross proceeds of EUR 100 million, which were deposited on an escrow account (the "**Escrow Funds**"). As a result of accrued interest income, the Escrow Funds amounted to approximately EUR 103.5 million on 31 December 2023. Subject to the approval of the Combination in the EGM, the Escrow Funds will be released to the Combined Company, and hence, depending on possible redemption requests by the holders of

Lifeline SPAC I's Series A shares, the Combined Company will have, in gross terms (before, for example, transactional taxes and certain transaction costs), a minimum of over EUR 60 million and a maximum of over EUR 100 million of new capital in use (the "**New Capital**"). The Combined Company plans to employ the New Capital to potential investments into Semiconductor, Automotive and Medical, and to strengthening its balance sheet in general. No investment decisions have been made and the management and Board of Directors of the Combined Company will evaluate potential investments based on following criteria: (i) existing customer support; (ii) limited technology risk; and (iii) return on invested capital (ROIC) potential being "high". Concerning the currently foreseeable investments, the Combined Company initially sees potential to deploy the New Capital to Semiconductor in the amount of EUR 20–25 million during 2025–2026, to Automotive EUR 10–15 million during 2025–2027 and to Medical EUR 5–10 million from 2025 onwards. Potential investment targets for the New Capital include, for example, reactor technology, enhanced automation, talent acquisition, product diversification, accelerated regulatory approvals in Medical, as well as a potential second manufacturing location.

Timo Ahopelto, Chair of Lifeline SPAC I's Board of Directors, comments:

"We have analysed tens of Nordic technology growth companies for Lifeline SPAC I. Canatu is the perfect match. The capital provided can make the Company grow even faster and become stronger."

Ari Ahola, Chairman of Canatu's Board of Directors, comments:

"As the first investor in Canatu, I have watched firsthand its incredible growth over the last 17 years to become a leader in the advanced carbon nanotubes space. This is a major milestone in the Canatu story, and I believe it will empower the company to drive tomorrow's industry-transforming products forward. Canatu's robust and versatile technology platform and continuous innovation enable exciting new business opportunities, such as biosensors for medical diagnostics."

Tuomo Vähäpassi, founding partner and CEO of Lifeline SPAC I, comments:

"Canatu has extensive potential in advanced CNT applications. We have followed Canatu's development for some time and are delighted to combine with Canatu at a stage where it aims to accelerate its business in semiconductor and automotive applications and is entering the emerging medical diagnostics market. We are impressed by Canatu's technological competencies, which stem from the long heritage of Finnish research in nanomaterials, its experienced management, and attractive financial profile, all of which lay a strong foundation to create value for our current and new shareholders."

Juha Kokkonen, CEO of Canatu, comments:

"Canatu has grown rapidly in recent years with significant breakthroughs, especially in the EUV technology within the semiconductor industry. The Combination and collaboration with Lifeline SPAC I's team will help accelerate Canatu's growth in line with its strategy, enabling Canatu to continue progressing in all three exciting focus industries – semiconductor, automotive, and medical diagnostics – all of which are experiencing a major disruption, and expand into new ones in the future. This is enabled by our patented technology, which allows us to apply Canatu CNT to a broad range of applications. Canatu is well-positioned to support industry shifts with its forerunner partners and to capitalize on new market opportunities, with the potential for significant returns on invested capital."

Canatu as an investment

In Canatu's view, its key strengths include:

1. Rapidly growing deep technology company with attractive margins;
2. Current, high-growth focus markets are estimated to grow to EUR 2–4 billion by 2030;
3. Customer relationships with leading global companies;
4. Differentiated IPR-protected technology supporting a strong competitive position;
5. Proven and efficient mass manufacturing capability;
6. Business model enabling scalable, asset-light growth with high-margin potential;
7. Technology powerhouse with experienced management attracting global top talent;
8. Financial targets of annual revenue of over EUR 100 million and adjusted EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027.

1. Rapidly growing deep technology company with attractive margins

Canatu is a rapidly growing deep technology company that uses its carbon nanotube (CNT) technology platform to create advanced CNTs for industry transforming products.

Canatu's net turnover has grown strongly from EUR 1.5 million in 2020 to EUR 13.6 million in 2023, reflecting a compound annual growth rate of 108 per cent. The high net turnover growth has been paired with an attractive gross margin development, reaching 71 per cent in 2023 compared to 61 per cent in 2021.

2. Current, high-growth focus markets are estimated to grow to EUR 2–4 billion by 2030[3]

Canatu’s carefully selected focus industries (Semiconductor, Automotive and Medical) are all experiencing technological disruption. Semiconductor must service the growing demand for high-end chips driven by advancements in artificial intelligence and computing, Automotive is seeking to shift into autonomous and assisted driving and electric vehicles, and Medical is in some parts of the care chain aiming to increasingly transition to point-of-care testing from laboratory-based testing. In Canatu’s view, it is well positioned to support the above-mentioned industry shifts and provide high value-add via CNT solutions.

Semiconductor

In Semiconductor, which is a heavily concentrated industry and relies on certain countries, such as Taiwan, Canatu’s CNT solutions are targeted at EUV lithography-based manufacturing processes, which are used to produce the most advanced microchips. Sub-7nm EUV chips are the fastest growing segment in Semiconductor. Semiconductor market size of selected industries (smartphone, personal computing, servers, data centers and storage, industrial electronics, automotive, consumer electronics, and wired & wireless infrastructure) amounted to approximately USD 595 billion in 2023. Canatu’s management estimates that the semiconductor market size grows to USD 1,098 billion in 2030, implying a 9 per cent average annual growth from 2023 to 2030, while EUV semiconductor market share continuously increasing. The top-three microchip manufacturers Intel Corporation, Samsung Electronics Co., Ltd. and Taiwan Semiconductor Manufacturing Company, Limited (TSMC) have publicly announced planned investments of over USD 300 billions in new production capacity.Canatu’s managment estimates that approximately 70–80 per cent of the announced investments will be allocated for semiconductor manufacturing equipment, driving significant business opportunities for Canatu. In Canatu’s view, its CNT solutions help microchip manufacturers and other semiconductor industry customers enhance the efficiency of their production and quality control processes. Canatu currently offers customers (i) CNT-based EUV photomask inspection consumables (the “**Inspection Consumables**”), (ii) CNT-reactors and related non-discretionary consumables for CNT membrane manufacturing for EUV pellicles (the “**CNT-reactors**”), and (iii) CNT membranes/technology, which is a key part of CNT-based EUV pellicles (the “**CNT-based Pellicles**”) (ready-made EUV pellicles, which include framing and specialty coating, are currently not available from Canatu).

Inspection Consumables are used in multiple quality control phases along the EUV lithography process. Inspection Consumables prevent particles from contaminating the photomask in the inspection phase and filter out unwanted wavelengths of light. In the patterned mask inspection, currently the primary application area of Canatu’s Inspection Consumables, the market for the Inspection Consumables is estimated to grow from approximately EUR 10 million in 2024 to approximately EUR 40 million in 2027 and further to approximately EUR 60 million in 2030, implying a 33 per cent average annual growth from 2024 to 2030. Beyond the patterned mask inspection, the other quality control phases are estimated to potentially expand the addressable market for Canatu’s Inspection Consumables by approximately 2–5 times, resulting in a total market potential of approximately EUR 120–300 million in 2030. The estimated Inspection Consumables market growth is driven by the strong expected growth of semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics).

The market for CNT-based Pellicles is currently only emerging, e.g. Canatu is scheduled to deliver the first two CNT-reactors to its customers in 2024, and the market growth is expected to be dependent on the adoption curve of advanced pellicles. The addressable market for CNT-based Pellicles is estimated to amount to approximately EUR 260–1,050 million in 2027 and grow to approximately EUR 950–2,010 million in 2030. If the demand for CNT-based Pellicles were satisfied with Canatu CNT-reactor sales only, the market size would be materially smaller, approximately hundreds of millions of euros in 2030, due to Canatu’s reactors’ high efficiency. In such a scenario, recurring revenue elements such as the sale of non-discretionary consumables and royalties would potentially comprise a very large part of the market. The estimated CNT-based Pellicles market growth is also driven by the strong expected growth of the semiconductor end-product markets (e.g. AI-enabling hardware, data centres and consumer electronics). Additionally, however, the demand for CNT-based Pellicles is expected to grow due to their technical capabilities and applicability across different EUV lithography machine generations, both of which seem to be superior compared to other pellicle technologies (including composite- and graphene-based pellicles). EUV pellicles protect photomasks from contaminating particles and assuring a higher quality of chip production. Defected photomasks result on lower yields and less profitable business for chip manufacturers. Compared to composite-based pellicles, CNT-based Pellicles are expected to offer (i) an estimated potential productivity increase of up to 7–15 per cent due to their higher EUV-light transmission rate[4] and (ii) higher thermal stability and mechanical strength due CNTs’ physical characteristics. CNT-based Pellicles’ higher thermal stability and mechanical strength are particularly valuable in advanced EUV lithography machine (i.e. ASML Holding N.V.’s NXE:3800E machines and the generations following that) applications, where increasing heat loads and mechanical stress make composite-based pellicles an economically less viable option.

The CNT-based Pellicles market size estimates’ lower ends assume that CNT-based Pellicles will have selective adoption in logic chip production and limited adoption in memory chip production and primarily in the advanced EUV lithography machines (the “**Selective Adoption**”), while the higher ends assume a gradual increase towards full adoption in logic chip production and moderate adoption in memory chip production (the “**Wide Adoption**”). The Combined Company’s Long-

Term Financial Targets assume the Selective Adoption. If the Wide Adoption materialises, it could potentially provide a material organic upside to the Combined Company's Long-Term Financial Targets.

Automotive

In Automotive, Canatu currently focuses on offering CNT-based film heaters for LiDARs (the "**LiDAR Heaters**") and cameras (the "**Camera Heaters**"), with CNT-based film heaters for full windshields (the "**Windshield Heaters**") and headlights as well as solar cells being a potential future extension area. LiDAR Heaters and Camera Heaters are used for advanced driver assistance systems ("**ADAS**") to keep vehicles' critical sensors clear from moisture condensation (fog), snow and ice. In Canatu's view, its CNT-based LiDAR Heaters and Camera Heaters provide higher optical performance than currently available alternative solutions. Canatu expects that the optical performance of LiDAR Heaters and Camera Heaters potentially becomes increasingly important when vehicle manufacturers pursue increasingly adopting higher autonomy-level ADAS (partly ADAS that support the SAE (Society Automotive Engineers) automation level 2, but in particular ADAS that support the SAE automation levels 3–5) in their vehicles. Canatu's applications relating to Windshield Heaters, currently in pre-development phase, are designed to enhance vehicles' thermal energy efficiency, while providing high optical performance for windshield ADAS sensors. Canatu expects that the energy efficiency and the high optical performance of its possible future windshield heater film solution potentially become increasingly important when vehicle manufacturers pursue growing their production of battery-electric vehicles.

The market for LiDAR Heaters is expected to grow from approximately EUR 5 million in 2024 to approximately EUR 20 million in 2027 and further to approximately EUR 43 million in 2030, implying a 42 per cent average annual growth from 2024 to 2030. The market for Camera Heaters is expected to grow from approximately EUR 10 million in 2024 to approximately EUR 70 million in 2027 and further to approximately EUR 170 million in 2030, implying a 53 per cent average annual growth from 2024 to 2030. In both markets, the estimated growth is driven by the expected increasing adoption of higher autonomy-level ADAS, which increases the number of addressable LiDARs and cameras requiring advanced heating solutions.

The market for Windshield Heaters is expected to grow from approximately EUR 30 million in 2024 to approximately EUR 160 million in 2027 and further to approximately EUR 600 million in 2030, implying a 63 per cent average annual growth from 2024 to 2030. The estimated market growth is driven by the expected growth in the number of manufactured battery-electric vehicles with heated windshields.

Medical

In Medical, Canatu currently develops CNT-based biosensors (the "**CNT-based Biosensors**") for electrochemical biosensors, aimed to enable a quick and potentially inexpensive alternative compared to current methods for medical diagnostics (e.g. laboratory tests). CNT-based Biosensors can be utilised to detect a variety of analytes that leave biomarkers (e.g. DNA mutations, pathogens, hormones and drug molecules) and test multiple biomarkers from a single sample simultaneously. Canatu's current focus is on the development of testing solutions for detecting paracetamol overdose and lung and breast cancers, however, the Company has identified dozens of other potentially applicable use cases. Based on Canatu's analysis, the physical characteristics of Canatu CNTs might enable point-of-care tests that are potentially considerably more sensitive and accurate with over 10 times higher signal-to-noise ratio than the tests based on traditional materials currently used for biosensors (e.g. gold and carbon paste). Canatu CNTs have the potential to get results from 86 bacterial cells per millilitre while the industry standard is 300,000 bacterial cells per millilitre. As Canatu's production line is already established, at scale, Canatu has mass production capacity for tens of millions of CNT-based Biosensors annually.

Assuming Canatu's CNT-based Biosensors fulfil technological and regulatory requirements, the total addressable market in breast cancer testing, lung cancer testing and paracetamol overdose testing in 2030 is estimated to range from EUR 400 million to EUR 1,100 million. Breast cancer testing is estimated to constitute approximately 90 per cent (EUR 400–950 million), lung cancer testing approximately 10 per cent (EUR 30–130 million) and paracetamol overdose testing approximately 1 per cent (EUR 5 million) of the total addressable market. The most significant market driver for the medical diagnostics market is the adoption rate of testing, i.e. the size of the tested population and the testing frequency.

3. Customer relationships with leading global companies

Canatu's customers are typically large global companies that hold strong market positions within their respective fields of business.

The potential customer universe in Semiconductor includes companies such as Asahi Kasei Corporation, Bruker Corporation, FormFactor, Inc., Intel Corporation, KLA Corporation, Lasertec Corporation, Micron Technology, Inc., Mitsui Chemicals, Inc., Samsung Electronics Co., Ltd., Shin-Etsu Chemical Co., Ltd., SK hynix Inc., Taiwan Semiconductor Manufacturing Company, Limited (TSMC) and Carl Zeiss AG (illustrative list of potential customers, and not a representation of Canatu's current customers). Some of these companies are foundries, *i.e.* manufacture EUV semiconductors whilst others are manufacturers of EUV pellicles or photomask inspection machinery. The customer concentration in Semiconductor is typically large.

Similarly, the potential customer universe in Automotive includes companies such as AB Volvo, Asahi Glass Co., Ltd., Aston Martin Lagonda Global Holdings plc, Bayerische Motoren Werke AG (BMW), Compagnie de Saint-Gobain S.A., Continental AG, Daimler AG, Denso Corporation, Ferrari N.V., Forvia SE, Hella GmbH & Co. KGaA, Innoviz Technologies Ltd., Jaguar Land Rover Limited, Luminar Technologies, Inc., Mobileye N.V., Rivian Automotive, Inc., Robert Bosch GmbH, Tesla, Inc. and Volkswagen AG (illustrative list of potential customers, and not a representation of Canatu's current customers). Some of these companies are OEMs, *i.e.*manufacture cars under a certain brand whilst others are component or sub-system suppliers to the industry.

The potential customer universe in Medical is only emerging given that the Company expects the first products to enter into market in 2025–2026. However, as a key part of its go-to-market strategy Canatu is in and is extending discussions in both human health and veterinary sector with certain leading global companies in order to find suitable partner(s). In human health and veterinary sector some of the leading companies potentially relevant to Canatu include Abbot Laboratories, Roche Holding AG, Siemens Healthcare GmbH, Teledyne Technologies Incorporated, Thermo Fisher Scientific Inc. and Zoetis Inc (illustrative list of potential customers, and not a representation of Canatu's current customers).

In 2023 and 2024 the Company has invoiced almost 50 customers most of which are engaged either in Semiconductor or Automotive, while the five largest customers accounted for approximately 90 per cent of Canatu's net turnover in 2023. The product development cycles are long and customer relationships are thus typically expected to be long-lasting as well. For instance, the Company commenced its development of EUV technology products in 2017 with the first products entering into mass manufacturing in 2021.

Canatu has demonstrated high customer retention in its current relationships, as all customers who have entered into mass-manufacturing relationships with Canatu remain customers as of the date of this release.

Due to non-disclosure obligations and sensitivity of trade secrets, Canatu cannot typically disclose the identities of its customers.

4. Differentiated IPR-protected technology supporting a strong competitive position

In Canatu's view, advanced CNTs in general offer an optimal combination of optical, electrical, thermal, mechanical, and chemical properties, providing a combination of lightweight, strength, and multifunctional properties that in several application areas are superior to other materials.

The advanced CNTs that are required *e.g.* in products that the Company manufactures or is in process to manufacture to its focus industries, Semiconductor, Automotive and Medical, are in Canatu's view difficult to manufacture and customise in scale as the applications require highly sophisticated material and process technology. Canatu considers that these requirements characterise advanced CNTs as high barrier of entry industry where there are only few or no capable competitors in each of the Company's focus areas. Canatu views Mitsui Chemicals, Inc. and Lintec Corporation as its main CNT competitors in Semiconductor and CHASM Advanced Materials, Inc. as its main CNT competitor in Automotive. To Canatu's knowledge, there are no recognised advanced CNT companies engaged in Medical.

Canatu's competition in its focus industries can be described as twofold. Firstly, the Company's products compete against other materials and technologies than CNT. Secondly, Canatu's products may compete with other CNT companies.

When Canatu's products compete with other materials and technologies than CNT, the competitive advantage stems partly out of the general properties of advanced CNT and partly out of the specific properties of Canatu CNT. For instance, in EUV pellicles, Canatu's CNT membranes offer better durability and up to 7–15 per cent better EUV transmission[5] (which is connected to higher productivity) than traditional composite materials, and, in LiDAR Heaters and Camera Heaters, Canatu CNTs offer higher optical and conductivity performance than the currently available solutions based mainly on metal wire technology. In Medical, the Company expects its CNT membranes to offer clearly better sensitivity and accuracy than the currently used materials, *e.g.* gold and carbon paste.

When Canatu's products compete with the CNTs of other CNT manufacturing companies, the Company considers its competitive advantage to be based on its differentiated CNT manufacturing technology (CNT reactors), which utilises a proprietary Dry Deposition™ technology. Contrary to Canatu, its CNT competitors seem to have based their CNT technology on so called wet dispersion technology. Canatu considers its Dry Deposition™ technology to have material advantages over the more traditional wet dispersion technology. These advantages are initially based on differences in manufacturing methodology where wet dispersion has to be subjected to considerably more process steps and to use of, *e.g.,* different solvents. This, in Canatu's view, means that the Company's Dry Deposition™ technology is easier to modify to produce desired features and provides longer and more pristine carbon nanotubes that are stronger and purer than that manufactured with wet dispersion. For instance in EUV pellicles, Canatu considers that a pellicle manufactured with wet dispersion is bound to be thicker to offer the same mechanical strength than a pellicle manufactured with Canatu's Dry Deposition™ technology. This, in Canatu's view, would mean that a pellicle manufactured with wet dispersion technology would have lower EUV transmission, which in turn would mean inferior productivity potential.

Canatu's intellectual property assets include 188 patents and patents pending across 38 distinct families as well as several trade secrets, pertaining both to Company's Dry Deposition™ manufacturing (reactor) technology as well as to different applications in its focus industries Semiconductor, Automotive and Medical. Whilst CNT in general is a widely patented area of technology, Canatu considers its intellectual property assets to provide certain protection to its technology.

5. Proven and efficient mass manufacturing capability

Similar to some other high technology materials, one obstacle to advanced CNTs' wider use and applicability has been the lack of mass manufacturing capability and capacity to produce advanced CNTs in scale with demanding specified properties.

Canatu started to mass manufacture its first CNT products (touch sensors for Automotive) in 2015 and has since then manufactured nearly 1 million such sensors with no field returns. In Semiconductor, the mass manufacturing of Inspection Consumables commenced in 2021 and the first CNT reactor sales were agreed in 2023 and are to be delivered in 2024.

Canatu considers its proven mass manufacturing capability and capacity to form a key competitive advantage as the Company can commit to manufacture high quality CNTs in high volumes to critical applications trusting its mass manufacturing experience and efficiency.

6. Business model enabling scalable, asset-light growth with high-margin potential

Canatu's business model builds on and leverages the Company's efficient and proprietary Dry Deposition™ CNT-technology platform.

In Semiconductor, Canatu currently either manufactures and sells CNT membranes for EUV lithography (e.g. for Inspection Consumables) or manufactures and licenses CNT-reactor technology for customers' in-house CNT membrane manufacturing needs (e.g. for EUV pellicles). Licensing Canatu's CNT-reactor technology typically entails a fixed fee for reactor delivery and subsequent recurring license payments, as well as the sale of non-discretionary production consumables by Canatu.

In Automotive, Canatu is currently ramping up mass production and sale of LiDAR Heaters and Camera Heaters. Canatu is currently developing Windshield Heaters in cooperation with its customers. The commercialisation of the Windshield Heater technology, if pursued, may be either via Canatu's own mass production and sale of Windshield Heaters or via manufacturing and licensing CNT-reactor technology for selected customers' in-house Windshield Heater production.

Independent of whether Canatu mass manufactures and sells CNT-based products or manufactures and licenses CNT-reactor technology, the Company's Dry Deposition™ CNT-technology platform is expected to support asset-light growth and attractive gross margin potential, in both Semiconductor and Automotive.

7. Technology powerhouse with experienced management attracting global top talent

Canatu's success is built on experienced management and highly skilled employees. At the end of June 2024, Canatu had 127 employees from around 30 countries, with approximately 20 per cent holding a doctorates or being doctoral candidates.

Canatu's management team has a proven track record of success, guiding Canatu with strategic vision and leadership skills. CEO Juha Kokkonen has extensive experience in leading technology companies, mass-manufacturing, and go-to-market execution. The management team's success has been demonstrated by technological advancements in CNT membranes and film heaters for ADAS and the rapid growth in recent years. In Canatu's opinion, the management's commitment to building a supportive and inclusive workplace culture ensures that employees are not only skilled but also highly satisfied and engaged.

In addition to the financial performance, the management team has demonstrated its effectiveness by building long-term relationships with key players within Canatu's respective industries. In Canatu's view, having a close relation to key people paves the way for collaboratively finding new solutions and developing potential new CNT products.

Canatu aims to continue to attract top global talent in carbon nanomaterials from technological, manufacturing, and commercial perspectives who share the ambition of building into and retaining Canatu as a globally leading carbon nanomaterial developer.

8. Financial targets of annual revenue of over EUR 100 million and adjusted EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027

On the basis of Canatu's current business plan, the Combined Company targets annual revenue of over EUR 100 million and adjusted EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027.

The Long-Term Financial Targets largely build on (i) Canatu's existing customer relationships, (ii) the Company's current or currently developed offering within the selected three focus industries, and (iii) the Company's assessment of its gross margin potential within those focus industries.

The current mass production phase customers within Semiconductor (including CNT-reactor customers) are expected to be the largest contributors to the revenue target of over EUR 100 million in 2027. Relative to the other focus industries, Semiconductor is also expected to offer the highest gross margin potential for the Combined Company in 2027

In Automotive, Canatu's current mass production and mass development customers (i.e. customers with whom Canatu is doing active joint development work with a target of moving to mass production (typically within 2–4 years with Automotive customers)) are expected to be the key customers in 2027. LiDAR Heaters and Camera Heaters are expected to be medium contributors to the revenue target of over EUR 100 million in 2027, while Windshield Heaters' contribution is expected to be very limited. Relative to the other focus industries, Automotive is expected to offer medium gross margin potential for the Combined Company in 2027.

Medical is expected to have limited contribution to the Long-Term Financial Targets as Canatu's offering for the industry is currently under development, and the Company estimates that market entry could take place within 1–5 years, depending on the application. Canatu is currently evaluating possible go-to-market partners, and the ones eventually chosen are expected to be the Combined Company's key customers in 2027. Relative to other focus industries, Medical is expected to offer high gross margin potential for the Combined Company in 2027. However, given that the offering is still under development and the market entry is pending, this expectation is based on Canatu's management's preliminary view of potential manufacturing costs and sales prices.

Canatu has a solid track record of strong gross margins. Canatu's gross margin was 61 per cent in 2021, from which it increased to 66 per cent in 2022 and further to 71 per cent in 2023. The positive gross margin development has been impacted among other by factors such as the start of mass production of Inspection Consumables in 2021, the commissioning of a new fully automated mass production line in 2022, and the continued growth of Semiconductor in 2023. Going forward, the Combined Company's pricing power and gross margins are expected to be supported by strong moats:

- *High barrier to entry -business:* In Canatu's view, advanced CNTs are difficult to produce and customise in scale, and applications require highly sophisticated material and process technology.
- *There are only few capable competitors per application area:* Canatu considers that it is globally one of very few companies currently capable of producing advanced CNTs.
- *Significant value-add potential to customers' processes and end-products:* Canatu's customised advanced CNTs potentially offer significant enhancement potential to customers' process quality and productivity or to the properties of their end-products.
- *IP protection through patents and proprietary processes:* Canatu holds 188 patents and patents pending across 38 distinct families, while certain key parts of the production process are protected by trade secrets.

Scale benefits from Canatu's operating cost base are expected to support the Long-Term Financial Targets of reaching an adjusted EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027. Total operating expenses are expected to provide substantial scale benefits as they are expected to grow at a clearly lower pace than the growth rates implied by the long-term revenue target. While Canatu has been investing in its growth by increasing its average headcount from 52 FTEs in 2021 to 93 FTEs in 2023, the Company anticipates that reaching the Long-Term Financial Targets in 2027 may require growing the headcount by 25–35 FTEs annually. Canatu's other operating expenses have historically grown in line with the headcount growth and this is expected to continue also when going forward, while the change from a private company to a publicly listed company will incur some additional operating expenses. Depreciation and amortisation have represented less than 10 per cent of Canatu's total operating cost base in 2021–2023, and, assuming performance in line with the Long-Term Financial Targets, Canatu's management does not expect major changes in depreciation and amortisation going forward (excluding possible goodwill amortisations under FAS). Canatu's depreciation and amortisation in 2021–2023 primarily comprised depreciation of machinery and equipment, production machinery, buildings, and other tangible assets, while amortisation primarily comprised of patents and premises' renovations costs. Unlike quite many similar companies, Canatu has not activated its R&D-related personnel expenses in 2021–2023.

Canatu's total capital expenditure amounted to EUR 2.1 million in 2022 and EUR 4.7 million in 2023. In the 2024 financial year, Canatu's management expects the Company's total capital expenditure to amount to EUR 5–6 million. Canatu's management expects that the Company's current level of capital expenditure is adequate for reaching the Long-Term Financial Targets. This is expected to be supported by Canatu's efficient and proprietary Dry Deposition™ CNT-technology platform and the Company's existing factory in Finland, which has been built to support possible expansion by multiple manufacturing lines, providing potential to scale production with relatively low investment requirements.

The Combination's benefits to Canatu

Canatu considers that the key benefits of the Combination from its perspective include:

1. *Enhanced credibility toward all stakeholders*

A strengthened balance sheet and the status of a publicly listed company would support Canatu's credibility for all stakeholders, which is expected to have positive impact on the Combined Company's business and operations.

2. Enhanced ability to attract and retain talent

Canatu expects that its ability to attract and retain talent would be further enhanced via the status of a publicly listed company. As a publicly listed company Canatu can also offer incentives that are more transparent and ultimately have better liquidity. In addition, Canatu aims to establish a new long-term incentive programme reflecting international / PE programmes' character and magnitude.

3. Additional capital to deploy into strategic investments

Canatu is well-positioned to explore and capitalise on new market opportunities, driving further expansion and profitability. Canatu's strategic investments in selected areas have, in Canatu's view, the potential to provide a significant return on invested capital.

4. Becoming better known

Public companies are more transparent because they need to disclose information, including financial statement results, publicly. Through company and press releases and financial media coverage, Canatu would become more recognisable and gain the attention of potential customers and new strategic partners.

5. Collaboration with Lifeline SPAC I

Canatu would benefit from Lifeline SPAC I's experience in financing and developing growth companies within the technology field as well as its extensive network and a proven track record of building international success stories.

Key financials

The following table presents selected key performance indicators for Canatu for the financial years ended 31 December 2023, 2022 and 2021. The presented information is based on Canatu's historical financial information prepared in accordance with the Finnish Accounting Standards. Following the Completion, the Combined Company will prepare its consolidated financial statements in accordance with the Finnish Accounting Standards. As Lifeline SPAC I is a special purpose acquisition company that lacks operational and relevant financial history, its historical financial data has not been included herein. For more information on Canatu's historical financial information and definitions of key performance indicators, please refer to Annexes 1 and 2 of this release.

	For the financial year ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
	(unaudited, unless otherwise stated)		
Net turnover[1]...........................	13,591	8,382	5,455
Gross profit[2]............................	9,632	5,503	3,330
Gross profit %[2].........................	71%	66%	61%
EBITDA..................................	278[3]	-1,782	-2,911
EBITDA %...............................	2%[3]	-21%	-53%
Operating profit (loss), EBIT[1].......	-640[3]	-2,440	-3,660
Operating profit (loss), EBIT %......	-5%[3]	-29%	-67%
Net profit[1]...............................	-1,318[3]	-2,974	-3,930
Equity ratio %...........................	28%[3]	30%	12%

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[1] Audited.

[2)] Based on Lifeline SPAC I's due diligence work, certain personnel expenses have been reclassified from operating expenses to cost of goods sold.

[3)] Includes approximately EUR 1.7 million conversion of a Business Finland loan into a grant, which has been recognised as other operating income.

Canatu's preliminary outlook for 2024

Canatu's net turnover for the 2024 financial year is forecasted to be between EUR 20 million and EUR 25 million as a subsidiary of Lifeline SPAC I.

The net turnover outlook for the 2024 financial year is based on (i) Canatu's monthly management reports, according to which the Company estimates that its net turnover in H1/2024 ranges between EUR 10.5–11.5 million, and (ii) the Company's current order book.

Canatu expects the relative contribution to the guided net turnover by Semiconductor to be very large, by Automotive limited and by Medical non-material. The total capital expenditure in 2024 is expected to amount to EUR 5–6 million, excluding any potential impact from potential changes in Canatu's practice regarding the activation of R&D-related personnel expenses.

The statements set forth above include forward-looking statements and are not guarantees of Canatu's financial performance in the future. Canatu's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of numerous factors.

The Long-Term Financial Targets of the Combined Company

The Combined Company aims to achieve an annual revenue of over EUR 100 million and an EBIT margin (adjusted for goodwill amortisations under the Finnish Accounting Standards) of over 30 per cent in 2027.

The Combined Company expects the relative contribution to the guided revenue by Semiconductor to be large, by Automotive medium and by Medical limited.

The Long-Term Financial Targets assume that (i) CNT-based Pellicles are adopted in 500W and 500W+ EUV lithography scanners only and (ii) CNT-based inspection consumables are used only in patterned mask inspection. If CNT-based Pellicles are adopted in lower-power EUV lithography scanners as well and/or CNT-based inspection consumables are adopted in other phases of the mask manufacturing process beyond the patterned mask inspection, there is potentially a material organic upside potential to the Combined Company's Long-Term Financial Targets.

Canatu expects that the current level of capital expenditure is adequate for reaching the Long-Term Financial Targets of annual revenue of over EUR 100 million in 2027 and that reaching the Long-Term Financial Targets in 2027 may require to grow the headcount by 25–35 FTEs annually.

The statements set forth above include forward-looking statements and are not guarantees of the Combined Company's financial performance in the future. The Combined Company's actual results and financial position could differ materially from those expressed or implied by these forward-looking statements as a result of numerous factors.

General description and terms of the Combination

Decision-making process in Lifeline SPAC I

In accordance with Nasdaq Helsinki's rules regarding SPACs, the independent members of Lifeline SPAC I's Board of Directors have unanimously decided to recommend to Lifeline SPAC I's shareholders the approval of the Combination and voting in favor of it in Lifeline SPAC I's EGM. All members of the Board of Directors of Lifeline SPAC I have participated in the decision-making.

To support their assessment concerning the Combination, the independent members of Lifeline SPAC I's Board of Directors have received a fairness opinion regarding the fairness of the purchase price for the shareholders of Lifeline SPAC I dated 4 July 2024 (the "**Fairness Opinion**") from HLP Corporate Finance Oy. According to the Fairness Opinion, subject to the assumptions and limitations presented therein, the purchase price is fair from a financial point of view to the shareholders of Lifeline SPAC I. The Fairness Opinion in its entirety is included as Annex 3 to this release.

Consideration Shares

The fixed purchase price in the Combination will be paid by 21,791,821 Lifeline SPAC I's new series C shares (the "Series C shares") in a directed share issue and 1,676,752 new option rights in Option Plan 2024-I (as defined below), which implies an equity value of EUR 234.7 million and an estimated enterprise value of EUR 230 million for Canatu. In the notice of the EGM to be published later, the Board of Directors of Lifeline SPAC I will propose, in addition to the approval of the

Combination, the amendment of the Articles of Association of Lifeline SPAC I so that, inter alia, a new series of shares, series C, is created in addition to series A and B. Under the share exchange agreement, the Sellers will be directed a total of 21,791,821 new Series C shares in Lifeline SPAC I as consideration for the shares they hold in Canatu. The new Articles of Association will include a conversion clause under which Series C shares will be converted automatically with the ratio 1:1 into Series A shares in Lifeline SPAC I within 60 days of the Completion. The Consideration Shares therefore do not entitle their holders to the investor warrants described in Lifeline SPAC I's listing prospectus dated 4 October 2021.

In connection with the Combination, Canatu's current option programs will be voided, and a new option program is established by the Lifeline SPAC I, from which holders of option rights in Canatu will receive a total of 1,676,752 new fully vested option rights in the Combined Company, which will provide the option holders with materially the same economic benefits, as the option rights they held in Canatu, each entitling its holder to subscribe for one new Series A share in the Combined Company ("**Option Plan 2024-I**").

As a result of the Completion and the conversion of Consideration Shares, Canatu's current shareholders (including the Secondary Tranche Investors) will hold a total of 69 per cent of Series A shares of the Combined Company and the current shareholders of Lifeline SPAC I a total of 31 per cent of Series A shares of the Combined Company. The percentages have been presented without the dilution caused by potential share subscriptions to be made with Lifeline SPAC I's investor warrants and assuming that the current shareholders of Lifeline SPAC I do not demand the redemption of their Series A shares in connection with the Combination.

In the share exchange agreement, the Sellers have committed to customary transfer restrictions (with the exception of the Secondary Tranche Investors who have committed to such transfer restrictions only for 50 per cent of the Consideration Shares such investors receive as Sellers in the Combination), subject to certain exceptions, concerning the Consideration Shares and the option rights in Option Plan 2024-I, which will remain in force for 30 months after the Completion with respect to the members of the management team and key employees, and for 180 days with respect to the rest of the Sellers. The exceptions to the transfer restriction include (i) accepting a bona fide third-party tender offer, exchange offer, or merger or any other similar arrangement with corresponding effect, the terms of which are extended to all holders of the Combined Company's shares; (ii) selling or otherwise disposing of shares in the Combined Company or any securities convertible into or exercisable or exchangeable for shares in the Combined Company pursuant to any pro rata redemption or share buyback offer by the Combined Company which is made on identical terms to all holders of shares in the Combined Company; and (iii) transferring shares in the Combined Company or any securities convertible into or exercisable or exchangeable for shares in the Combined Company where a disposal is required by law or by any competent authority or by order of a court of competent jurisdiction.

Lifeline SPAC I and the Sellers have also agreed on an additional purchase price in connection with the Combination. If the Combined Company's volume-weighted average share price exceeds EUR 14.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2027, 1,857,093 Series A shares in the Combined Company will be offered to the Sellers for subscription without payment. If the Combined Company's volume-weighted average share price exceeds EUR 18.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028, 1,857,093 Series A shares in the Combined Company will be offered to the Sellers for subscription without payment. If the Combined Company's volume-weighted average share price exceeds EUR 22.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028, 2,785,645 Series A shares in the Combined Company will be offered to the Sellers for subscription without payment. The maximum additional purchase price is therefore 6,499,831 Series A shares in the Combined Company.

In addition, in connection with the Combination, Lifeline SPAC I will establish a new option program ("**Option Plan 2024-II**"), from which holders of option rights in Canatu will receive a total of 500,074 new option rights in the Combined Company. 142,874 option rights will vest if the Combined Company's volume-weighted average share price exceeds EUR 14.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2027. 142,874 option rights will vest if the Combined Company's volume weighted average share price exceeds EUR 18.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. 214,326 option rights will vest if the Combined Company's volume-weighted average share price exceeds EUR 22.00 for any ten trading days (which for the sake of clarity need not be consecutive) in any period of 30 trading days before 31 December 2028. Every vested option right in Option Plan 2024-II entitles its holder to subscribe for one new Series A share in the Combined Company. Together the additional purchase price of 6,499,831 Series A shares in the Combined Company and 500,074 option rights in Option Plan 2024-II represent a total maximum of 6,999,905 new Series A shares in the Combined Company.

Redemption of Series A shares

According to Lifeline SPAC I's Articles of Association, holders of Series A shares who vote against the Combination at a General Meeting, have the right to request their Series A shares to be redeemed. The shareholder must notify Lifeline SPAC

I's Board of Directors that they wish to have their shares redeemed within 10 banking days of the General Meeting approving the Combination in the manner and on the form provided by Lifeline SPAC I.

Lifeline SPAC I will issue more detailed instructions on the request for the redemption of Series A shares in connection with the publishing of the notice of the EGM resolving on the Combination.

Investor warrants

As described in Lifeline SPAC I's listing prospectus dated 4 October 2021, on 30 September 2021 Lifeline SPAC I's Board of Directors decided to issue a total maximum of 3,333,333 investor warrants to Lifeline SPAC I's shareholders of Series A shares in connection with the Completion. The investor warrants are issued to shareholders who have not voted against the Combination in the General Meeting and requested the redemption of their Series A shares and who remain Lifeline SPAC I's shareholders on the record date of 23 September 2024 of the investor warrants. One investor warrant that entitles its holder to subscribe for one new Series A share for a subscription price of EUR 11.50 per share will be offered free of charge for every three Series A shares owned by a shareholder.

The subscription period of the investor warrants begins 30 days after the Combined Company's shares have been admitted to trading on the First North Growth Market and runs for five years after the commencement of the subscription period. The intention is to have the investor warrants entered in the book-entry securities system maintained by Euroclear Finland Oy and to apply for their entry into Nasdaq Helsinki's multilateral trading facility as of the beginning of the subscription period.

Secondary Sale

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 fixed enterprise value for Canatu of EUR 230 million (the "**Secondary Tranche**"). The Secondary Tranche transactions have been signed, or otherwise committed to, on the date of this release and they will be consummated prior to the Completion. 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, e.g. 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 selling Canatu shareholders comprise of both industrial and institutional investors as well as individuals, many of which have been investors in the Company for more than 10 years. Some of the largest shareholders in Canatu have chosen not to participate at all in the Secondary Tranche and have elected to exchange all of their shares in Canatu to the Consideration Shares. All Canatu shareholders and employees that currently hold shares or option rights in Canatu are at least partially participating in the Combination and will receive Consideration Shares or will participate in the Option Plan 2024-I and the Option Plan 2024-II. The ability of Canatu's management and certain key employees to sell has been restricted to 30 per cent of their total holding of the shares or option rights at the time of the signing of the Combination.

Preliminary schedule

The schedule presented below is preliminary and subject to change.

- 2 August 2024: Lifeline SPAC I publishes a company description containing detailed information about the Combination
- 2 August 2024: Lifeline SPAC I convenes the EGM
- August 2024: Capital Markets Day
- 23 August 2024: Lifeline SPAC I's EGM
- 23 August – 5 September 2024: Period during which the redemption of Series A shares must be requested in accordance with the Articles of Association
- 16 September 2024: Completion of the Combination[6]
- 17 September 2024: Listing on the First North Growth Market
- 23 September 2024: Record date of the investor warrants

Listing

In accordance with Nasdaq Helsinki's rules regarding SPACs, Lifeline SPAC I will begin the listing process in Nasdaq Helsinki to list the Combined Company on the First North Growth Market. Trading in Lifeline SPAC I's existing Series A shares is expected to commence on the First North Growth Market on or about the first trading date after the Completion or as soon as possible thereafter.Trading in the Consideration Shares is expected to commence on the First North Growth Market on or about 65 days after the Completion or as soon as possible thereafter.

Management and corporate governance of the Combined Company

The name of the Combined Company will be Canatu Plc (in Finnish: Canatu Oyj), and it will be headquartered in Vantaa, Finland.

The CEO of the Combined Company will be Canatu's current CEO Juha Kokkonen and the CFO will be Canatu's current CFO Timo Suominen. The full management team of Canatu is expected to continue with the Combined Company after the Completion.

Lifeline SPAC I intends to propose to the EGM the establishment of a shareholders' nomination board. The intention of Lifeline SPAC I and subsequently the Combined Company is that the Board members elected at the EGM would continue to be elected to the Board of Directors of the Combined Company at least until the Annual General Meeting in 2027, to oversee the execution of the Combined Company's strategy. In addition, Lifeline SPAC I's intention is that the shareholders' nomination board would explore opportunities to increase the diversity of the Board of Directors, before the Annual General Meeting in 2025.

Pursuant to Lifeline SPAC I's Articles of Association, Lifeline SPAC I's sponsors Timo Ahopelto, Kai Bäckman, Petteri Koponen and Juha Lindfors (the "**Sponsors**") as well as Lifeline SPAC I's CEO Tuomo Vähäpassi shall have the right to appoint two sponsor representatives to Lifeline SPAC I's Board of Directors (such member being a "**Sponsor Representative**"). At Lifeline SPAC I's EGM to be held on 23 August 2023, the Sponsors and Tuomo Vähäpassi intend to appoint Timo Ahopelto and Tuomo Vähäpassi as the Sponsor Representatives in the Combined Company's Board of Directors.

- **Timo Ahopelto** has served as member and as Chair of Lifeline SPAC I's Board of Directors since 2021. In addition, Ahopelto has served as founding partner of Lifeline Ventures since 2009. Ahopelto has worked in several industries ranging from biotech to mobile apps and from digital media to industrial process technology. Ahopelto holds a Master of Science in Industrial Engineering degree.
- **Tuomo Vähäpassi** has served as Lifeline SPAC I's CEO since 2021. Vähäpassi is also one of the Founding Partners of Lifeline SPAC I. Vähäpassi has been Chair or member of the Board of Directors of G.W. Sohlberg Corporation since 2005and member of the Board of Directors of Kamux Corporation in 2020–2023. Vähäpassi served as Partner of Hannes Snellman in 2001–2007 (Co-Head of M&A in 2003–2007) and Managing Director / Head of the Corporate Finance unit of Skandinaviska Enskilda Banken AB (publ) Helsinki Branch in 2008–2020. Vähäpassi holds an LL.M. degree.

Pursuant to Lifeline SPAC I's Articles of Association, the General Meeting appoints the other members of the Board of Directors. At Lifeline SPAC I's EGM to be held on 23 August 2024, Lifeline SPAC I's Board of Directors intends to propose that following persons be elected to the Combined Company's Board of Directors:

- **Ari Ahola** has served as member and as Chair of Canatu's Board of Directors since 2021. Before that Ahola served as Canatu's member of the Board of Directors in 2013–2019 and Chair of the Board of Directors in 2008–2013. Ahola has been Founder-CEO of eFruit International Inc since 1999 and Infosto Inc's Founder-CEO since 1994 and Chair of the Board of Directors since 2023. Previously, Ahola has served as Chair of the Board of Directors of BioZone Scientific International, Inc. Ahola holds a Master of Business Administration (MBA) degree.
- **Thomas P. Lantzsch** has served as member of Canatu's Board of Directors since 2023. Previously, Lantzsch has served as advisory member of the Board of Directors of HERE North America LLC in 2017–2023. Lantzsch has also served as Senior Vice President and General Manager of Internet of Things Group at Intel Corporation in 2017–2023 and Arm Holdings PLC's Executive Vice President of Strategy in 2009–2016. Lantzsch holds a Master of Science in Finance and a Bachelor of Science in Electrical Engineering degrees.
- **Scott Sears** is currently Chief Physician Executive for Honest Medical Group, partnering with health systems and physician organisations across multiple states in the U.S to ensure high quality, patient-centered, and fiscally accountable healthcare for patients. Previously, Dr. Sears has served as Chief Medical Officer of InHealth MD Alliance, Chief Clinical Officer of Sound Physicians, Chief Medical Officer of St. Vincent Physician Network, and Regional Primary Care Medical Director for SCL Health. Dr. Sears has also served as the inaugural medical director for Stillwater Hospice, as clinical faculty and as a member of the admissions committee for the University of Washington School of Medicine, and as vice-chair on the board of directors for the Senior Resource Alliance in Central Florida. Dr. Sears holds both MD and MBA degrees, is a Fellow of both the American College of Physicians and the Society of Hospital Medicine, is a Certified Executive Coach, and a Certified Physician Executive.
- **Anthony Cannestra** has served as member of Canatu's Board of Directors since 2017. Cannestra has been member of the Board of Directors of quadric.io, Inc since 2019, member of the Board of Directors of Metaware Corporation since 2018 and member of the Board of Directors of Dellfer, Inc since 2017. Cannestra holds a Master of Business Administration (MBA) degree.
- **Kai Seikku** has served as CEO of Okmetic Oy since 2010 and Board member since 2016 and Vice General Manager of National Silicon Industry Group Co Ltd (Shanghai, China) since 2016. Previously, Seikku has served as CEO of HKFoods Plc (formerly known as HKScan Corporation and HK Ruokatalo Group Oyj) in 2005–2009 and CEO of Hasan &

Partners Oy in 1999–2005. He has also been Board member of VTT Technical Research Centre of Finland Ltd since 2024 and of NoHo Partners Plc since 2022. Seikku holds a Master of Science in Economics degree.

Ownership structure

Based on the latest available data and assuming Lifeline SPAC I's all current shareholders are shareholders with unchanged holdings also at the Completion, the shareholders owning 5 per cent or more of the shares in and votes of the Combined Company would be as follows:

Shareholder	**Series A shares**	**Series B shares**	**Series C shares**	**Total shares**	**% of all shares**	**% of all votes**
eFruit International Inc................	-	-	3,484,077	3,484,077	10.2	10.2
DENSO Corporation..................	-	-	3,264,417	3,264,417	9.5	9.5
Mymetics Holding (Cyprus) Ltd.....	-	-	2,526,275	2,526,275	7.4	7.4
Inventure Fund Ky.....................	-	-	2,341,698	2,341,698	6.8	6.8
Varma Mutual Pension Insurance Company................................	900,000	-	1,422,243	2,322,243	6.8	6.8
Ilmarinen Mutual Pension Insurance Company................................	-	-	1,731,398	1,731,398	5.0	5.0
Other shareholders.....................	9,100,000	2,500,000	7,021,713	18,621,713	54.3	54.3
Total.......................................	10,000,000	2,500,000	21,791,821	34,291,821	100.00	100.00

The above calculation is based on Canatu's and Lifeline SPAC I's actual knowledge and is indicative only. The calculation may not represent the actual situation at the Completion or thereafter.

Share exchange agreement

Lifeline SPAC I and the Sellers have today concluded a share exchange agreement under which Lifeline SPAC I acquires all shares in Canatu in a directed share issue of new Series C shares, which will automatically convert to Series A shares in the Combined Company.

The share exchange agreement contains certain customary undertakings, such as Canatu conducting its business in the ordinary course of business before the Completion and both parties cooperating with the other party in measures required for the Completion.

Moreover, certain Sellers have given Lifeline SPAC I certain customary representations and warranties related to, inter alia, due incorporation of Canatu and its subsidiary, status of the shares in Canatu, preparation of financial statements, corporate documents, compliance with applicable laws, permits, terms of subsidies and agreements, ownership of intellectual property, taxes, data protection, insurance coverage, real estate and other assets, employees, litigation and claims, sanctions and the information disclosed to the other party. Certain Sellers have additionally given Lifeline SPAC I certain non-compete and non-solicitation undertakings. Lifeline SPAC I has given the Sellers certain customary representations and warranties relating to, inter alia, due incorporation of Lifeline SPAC I, the status of the shares in Lifeline SPAC I, the issuance of Consideration Shares and the due disclosure of Lifeline SPAC I.

Lifeline SPAC I and the Sellers both bear their own fees, costs, and expenses incurred in connection with the Combination. [7]

The share exchange agreement may be terminated either by Lifeline SPAC I or jointly by the Sellers if the Completion has not taken place by 15 October 2024, provided, however, that the failure for the Completion to take place is not due to a breach of the share exchange agreement by such terminating party.

New long-term incentive plan for the Combined Company

To maintain the entrepreneurial spirit and a moderate fixed cost base also as a public company but still incentivise highly sought-after employees, the Combined Company aims to establish a new long-term incentive programme that reflects the character and magnitude of international and private equity-driven programmes.

The Board of Directors of Lifeline SPAC I plans to propose to the EGM to authorise the Board of Directors to issue, or resolve on the issuance of, a new share-based long-term incentive programme aimed at the Combined Company's management and employees with an approximate 7 per cent dilutive effect calculated based on the number of Series A and Series C shares outstanding immediately after the Completion.

Availability of the Company Description

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. This release does not constitute a notice to the EGM or a company description. Any decision with respect to the Combination should be made solely on the basis of information to be contained in the actual notice to the EGM and the company description, to be published on or about 2 August 2024, as well as on an independent analysis of the information contained therein. You should consult the company description, particularly the sections titled "*Risk Factors*" and “*Information on Canatu*”, for more complete information about Lifeline SPAC I, Canatu 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.

Advisers

Carnegie Investment Bank AB, Finland Branch (“**Carnegie**”) and Danske Bank A/S, Finland Branch (“**Danske**”) are acting as Lifeline SPAC I’s joint financial advisors and Borenius Attorneys Ltd as its legal advisor. Krogerus Attorneys Ltd is acting as legal advisor of Lifeline SPAC I’s joint financial advisors. Avance Attorneys Ltd is acting as Canatu’s legal advisor.

Press conference and investor communications

Lifeline SPAC I will host a conference on the Combination today, 5 July 2024 at 13:30 EEST at Eliel studio in Sanomatalo at Töölönlahdenkatu 2, FI-00100 Helsinki. The conference will also be available as a webcast.

In the conference Lifeline SPAC I’s Chair of the Board of Directors Timo Ahopelto, CEO Tuomo Vähäpassi and CFO Mikko Vesterinen will introduce the Combination. Canatu’s CEO Juha Kokkonen will introduce Canatu’s business operations and background as well as Canatu’s key figures. The language of the presentation is English.

The webcast can be followed at: https://event.videosync.fi/tiedotustilaisuus-05072024.

Further enquiries and interview requests

Chair of the Board of Directors Timo Ahopelto, tel. +358 40 056 9628

CEO Tuomo Vähäpassi, tel. +358 40 736 0676

CFO Mikko Vesterinen, tel. +358 50 521 7908

About Canatu

Canatu is a carbon nanomaterial developer creating the most advanced carbon nanotubes for industry-transforming products. The Canatu carbon nanotube (Canatu CNT) technology has been created with a unique process that aims to ensure the required versatility and reliability for highly engineered solutions. Canatu partners with forerunner companies, together transforming products for better tomorrows with nano carbon. Canatu’s focus is in the semiconductor, automotive, and medical diagnostics industries, with the portfolio’s core spanning from CNT membranes for extreme ultraviolet (EUV) lithography to film heaters for advanced driver-assistance systems (ADAS).

About Lifeline SPAC I

Lifeline SPAC I is a Finnish Special Purpose Acquisition Company founded for corporate acquisitions. We raised capital with an offering and listed on the SPAC segment of the regulated market of Nasdaq Helsinki. Our objective is to carry out an acquisition within 36 months from the listing. 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. Our primary strategic goal is to identify and merge with an unlisted technology-focused Nordic company with high growth potential.

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This release does not constitute a notice to the EGM or a company description. Any decision with respect to the Combination should be made solely on the basis of information to be contained in the actual notice to the EGM and the company description related to the Combination and listing on First North Growth Market as well as on an independent analysis of the information contained therein. You should consult the company description for more complete information about Lifeline SPAC I, Canatu, their respective securities and the Combination. Any approval by Nasdaq Helsinki of the company description shall not be considered as an endorsement of the securities that are the subject of the company description.No part of this release, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever. The information contained in this release has not been independently verified, does not purport to be full or complete and may be subject to change. No representation, warranty or undertaking, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither Lifeline SPAC I or Canatu, not any of their respective affiliates, advisors or representatives or any other person, shall have any liability whatsoever (in negligence or otherwise) for any loss however arising from any use of this release or its contents or otherwise arising in connection with this release. Each person must rely on their own examination and analysis of Lifeline SPAC I, Canatu, their respective securities and the Combination, including the merits and risks involved. The transaction may have tax consequences for Canatu's shareholders, who should seek their own tax advice.

Lifeline SPAC I has not authorised any offer to the public of securities in the United Kingdom or any Member State of the European Economic Area, with the exception of Finland. With respect to the United Kingdom or each Member State of the European Economic Area other than Finland which applies the Prospectus Regulation (each a "**Relevant Member State**"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring publication of a prospectus in any Relevant Member State. As a result, the securities may only be offered in Relevant Member States (a) to any legal entity that fulfils the requirements of a qualified investor as defined in the Prospectus Regulation; or (b) in any other circumstances falling within Article 1(4) of the Prospectus Regulation. For the purposes of this paragraph, the expression an "offer of securities to the public" means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities. The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council, as amended (in the case of the United Kingdom, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018).

This communication is directed only at (i) persons who are outside the United Kingdom or (ii) persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") and (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2) of the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment activity to which this communication relates will only be available to, and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

The company description will be published on Lifeline SPAC I's website at the address https://www.lifeline-spac1.com.

This release includes "forward-looking statements" that are based on present plans, estimates, projections and expectations and are not guarantees of future performance. They are based on certain expectations and assumptions, which, even though they seem to be reasonable at present, may turn out to be incorrect. Shareholders should not rely on these forward-looking statements. Numerous factors may cause the actual results of operations or financial condition of the Combined Company to differ materially from those expressed or implied in the forward-looking statements. Neither Lifeline SPAC I nor Canatu, nor any of their respective affiliates, advisors or representatives or any other person undertakes any obligation to review or confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this release. Further, there can be no certainty that the Combination will be completed in the manner and timeframe described in this release, or at all.

This release contains financial information regarding the businesses and assets of Lifeline SPAC I and Canatu. Such financial information may not have been audited, reviewed or verified by any independent accounting firm. Certain financial data included in this release consists of "alternative performance measures". These alternative performance measures, as defined by Lifeline SPAC I and Canatu, may not be comparable to similarly titled measures as presented by other companies, nor should they be considered as an alternative to the historical financial results or other indicators of Canatu's financial information based on FAS. Even though the alternative performance measures are used by the managements of Lifeline SPAC I and Canatu to assess the financial position, financial results and liquidity and these types of measures are commonly used by investors, they have important limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of Canatu's financial position or results of operations as reported under FAS.

Carnegie and Danske are acting as financial advisers to Lifeline SPAC I on certain matters outside of the United States and no one else in connection with the matters referred to herein, and will not be responsible to anyone other than Lifeline SPAC I for providing the protections afforded to clients of Carnegie and Danske, or for giving advice in connection with the Combination or any matter or arrangement referred to in this release.

Annex 1 – Historical financial information of Canatu

The following tables present a summary of Canatu's profit and loss account and balance sheet as at and for the financial years ended 31 December 2023, 31 December 2022, and 31 December 2021. The selected information presented below is based on Canatu's audited financial statements for the financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 prepared in accordance with the Finnish Accounting Standards.

Profit and Loss Account

	For the year ended 31 December		
EUR thousand	**2023**	**2022**	**2021**
	(audited)		
NET TURNOVER...	**13,591**	**8,382**	**5,455**
Change in inventory of finished and work-in-progress products...........	156	–	–
Other operating income...	2,855	1,196	547
Raw materials and services			
Raw materials and consumables			
Purchases during the financial period...	-3,378	-1,886	-1,480
Stock change..	279	–	–
External services..	-430	-472	-265
Materials and external services total...	-3,530	-2,358	-1,745
Staff expenses			
Wages and salaries..	-6,254	-4,336	-3,513
Social security expenses			
Pension expenses..	-1,150	-793	-620
Other social security expenses..	-248	-157	-131
Staff expenses total..	-7,651	-5,285	-4,264

Depreciation and reduction in value			
Depreciation according to plan..	-918	-658	-749
Other operating expenses...	-5,142	-3,717	-2,904
OPERATING PROFIT (LOSS)..	**-640**	**-2,440**	**-3,660**
Financial income and expenses			
Other interest and financial income..	4	7	7
Interest and other financial expenses..	-682	-540	-277
Financial income and expenses total..	-678	-534	-270
PROFIT (LOSS) BEFORE APPROPRIATIONS AND INCOME TAXES	**-1,318**	**-2,974**	**-3,930**
PROFIT (LOSS) FOR THE FINANCIAL YEAR...............................	**-1,318**	**-2,974**	**-3,930**

Balance Sheet

	As at 31 December		
EUR thousand	**2023**	**2022**	**2021**
	(audited)		
ASSETS			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights...	1,101	918	766
Other capitalized long-term expenses	0	1	2
Intangible assets total..	1,101	919	768
Tangible assets			
Buildings...	1,665	1,769	1,873
Machinery and equipment..	5,579	2,658	1,832
Other tangible assets..	1,891	1,195	707
Advance payments and construction in progress.............................	227	153	0
Tangible assets total...	9,362	5,775	4,411

RECEIVABLES			
Inventory			
Materials and supplies..	279	–	–
Finished products/goods...	156	–	–
Total inventory...	435	–	–
Short-term assets			
Account receivable..	1,215	1,016	445
Other receivables..	283	259	259
Accrued receivables...	1,444	480	259
Total receivables..	2,942	1,754	962
Other investments..	1,344	1,344	6,341
Cash and cash equivalents..	5,895	14,764	2,088
TOTAL ASSETS...	**21,079**	**24,556**	**14,570**
LIABILITIES & EQUITY			
Shareholders’ equity			
Share capital...	8	8	8
Other equity..	58,053	58,050	49,496
Retained earnings (loss)...	-50,813	-47,839	-43,909
Profit for the financial period..	-1,318	-2,974	-3,930
Capital and reserves total...	5,930	7,245	1,666
LIABILITIES			
Long-term liabilities			
Convertible bonds..	5,378	5,000	-
Loans from financial institutions..	701	8,518	6,351
Long-term liabilities, total...	6,080	13,518	6,351
Short-term liabilities			
Loans from financial institutions..	6,615	1,305	3,972

Received prepayments..	48	243	771
Accounts payable..	701	772	705
Other liabilities...	163	105	88
Accrued liabilities..	1,515	1,368	1,018
Short-term liabilities, total..	9,069	3,793	6,553
Total liabilities..	15,148	17,311	12,905
TOTAL LIABILITIES & EQUITY..	**21,079**	**24,556**	**14,570**

Annex 2 – Alternative performance measures

The following table sets forth the definitions and reasons for use for the key performance measures of Canatu presented in the section "*Key financials*" in the above release that are not financial measures defined in the Finnish Accounting Standards and are called as the alternative performance measures (APMs). These are used by Lifeline SPAC I as Lifeline SPAC I believes that these APMs provide valuable information for investors and other stakeholders to evaluate the financial performance of Canatu. As not all companies calculate financial measures in the same way, they are not always comparable with similar measures used by other companies. These measures should therefore not be regarded as a substitute for measures defined under the Finnish Accounting Standards. The APMs are unaudited.

APM	**Definition**	**Reason for use**
Gross profit	Net turnover less cost of goods sold. Cost of goods sold is calculated as a sum of materials and external services total, change in inventory of finished and work-in-progress products and production related variable staff expenses. Production related variable staff expenses amounts to EUR 585 thousand in 2023, EUR 522 thousand in 2022 and EUR 380 thousand in 2021.	Show the Company's profitability from operations.
Gross profit %	Gross profit as a percentage of net turnover.	Gross profit % is an indication of the Company's gross earnings capacity, over time.
EBITDA	Operating profit (loss) before depreciation according to plan.	The measure is used since it shows the profitability before financial items, taxes, depreciation, amortization, and impairments and is used to analyse the Company's operating activities.
EBITDA %	Operating profit (loss) before depreciation according to plan in relation to net turnover.	EBITDA margin is an indication of the profitability of operations in relation to net turnover, over time.
Equity ratio %	Shareholders' equity divided by total assets less received prepayments	Used to measure solvency and describe the share of the company's assets financed by equity.

Annex 3 – Fairness Opinion

[1] Consideration Shares are originally issued as Series C shares, a new share class established to complete the Combination, and they convert automatically at a ratio of 1:1 to Series A shares after investor warrants have been issued, via a clause in the new Articles of Association of the Combined Company.

[2] All shareholders of Lifeline SPAC I have the right to request the redemption of their Series A shares in Lifeline SPAC I if the Company's General Meeting approves the acquisition against which the shareholders in question have voted. For further information, see section "*Redemption of Series A shares*" in this release. The number of requests for redemption affects Lifeline SPAC I's Escrow Funds and thus also Canatu's possibilities of funding its operations.

[3] All market size estimates are based on a market study by an international management consultancy commissioned by Lifeline SPAC I. Other views are based on Canatu's management's current views and expectations, unless otherwise stated.

[4] Based on a market study by an international management consultancy commissioned by Lifeline SPAC I.

[5] Based on a market study by an international management consultancy commissioned by Lifeline SPAC I.

[6] All figures presented in this release relating to shares and option rights in Lifeline SPAC I, Canatu and the Combined Company assume the Completion on 16 September 2024.

[7] The portion of Canatu's transaction expenses exceeding EUR 500,000 will be taken into account in the purchase price as net debt.

Attachments

- Download announcement as PDF.pdf
- 240704 Fairness Opinion.pdf