

THIS PRESS RELEASE MAY NOT BE MADE PUBLIC, DISTRIBUTED OR PUBLISHED, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA, AUSTRALIA, BELARUS, CANADA, HONG KONG, JAPAN, NEW ZEALAND, RUSSIA, SINGAPORE, SOUTH AFRICA, SOUTH KOREA, SWITZERLAND OR ANY OTHER JURISDICTION WHERE SUCH DISTRIBUTION WOULD REQUIRE REGISTRATION OR OTHER MEASURES IN ADDITION TO THOSE REQUIRED BY SWEDISH LAW, IS PROHIBITED, OR OTHERWISE IS UNLAWFUL OR CANNOT BE MADE WITHOUT THE APPLICATION OF AN EXEMPTION FROM SUCH ACTION. FOR MORE INFORMATION, REFER TO THE SECTION "IMPORTANT INFORMATION" AT THE END OF THIS PRESS RELEASE.

Guard Therapeutics carries out a directed share issue of approximately SEK 60 million and intends to carry out a repair issue

The Board of Directors of Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company") has today resolved to issue 1,994,373 new shares at a subscription price of SEK 30.08 per share in a directed share issue under the authorization granted by the Annual General Meeting held on 8 May 2024 (the "Directed Share Issue"). The subscription price corresponds to a discount of approximately 6.4 percent compared to the 14 days' volume-weighted average price on Nasdaq First North Growth Market. Participating investors are the current shareholders Jan Ståhlberg, Stiftelsen Industrifonden, Swedbank Robur Fonder and Strand Kapitalförvaltning. In order to compensate the shareholders who did not participate in the Directed Share Issue, and provided that the Extraordinary General Meeting on 3 July 2024 (the "EGM") resolves to authorize the Board of Directors to issue shares, the Board of Directors intends to resolve on a non-guaranteed rights issue (repair issue) during the third quarter of 2024, which upon full subscription would generate gross proceeds corresponding to not more than approximately SEK 80 million and at a subscription price equal to the subscription price in the Directed Share Issue, i.e. SEK 30.08 per share (the "Rights Issue", and together with the Directed Share Issue the "New Share Issues").

"We and our principal shareholders are very pleased to be able to complete this cost-effective capital raise that increases the Company's financial flexibility and enables the start of the POINTER study according to plan," says Johan Bygge, Chairman of the Board of Directors of Guard Therapeutics. "The support among our main shareholders, several of whom are increasing their ownership, is a sign of strength as the Company now moves on to the next phase of development. At the same time, we want to give all existing shareholders the opportunity to defend their ownership on the same terms in the planned repair issue."

The Directed Share Issue

The Board of Directors of Guard Therapeutics has today resolved on the Directed Share Issue of 1,994,373 shares at a subscription price of SEK 30.08 per share, under the authorization granted by the Annual General Meeting held on 8 May 2024. Through the Directed Share Issue the Company will receive gross proceeds of approximately SEK 60 million before transaction related costs. A limited number of existing shareholders comprising Jan Ståhlberg, Stiftelsen Industrifonden, Swedbank Robur Fonder and Strand Kapitalförvaltning are participating in the Directed Share Issue.

The net proceeds from the Directed Share Issue are intended to finance:

- i. study costs associated with the Company's Phase 2 clinical trial (POINTER), with the goal of further determining the safety, efficacy and optimal dose of RMC-035 in patients undergoing open-heart surgery; and
- ii. extension of the Company's cash position to support the implementation of the study.

Prior to the resolution on the Directed Share Issue, the Board of Directors has carefully considered alternative financing channels, including the conditions for carrying out only a rights issue. However, the Company's Board of Directors believes, upon an overall assessment and after careful consideration, that a new share issue with deviation from the shareholders' preferential rights, together with the subsequent Rights Issue, is a better alternative for the Company and the Company's shareholders than an isolated rights issue and that it is objectively in the interest of both the Company and its shareholders to carry out the Directed Share Issue. The Board of Directors has taken the following into account, among other things.

- i. An isolated rights issue would take a significantly longer time to complete and entail a higher risk for a materially adverse effect on the share price, particularly in light of the market volatility and the challenging market conditions. By initially carrying out the Directed Share Issue, the Company can better manage these market risks.
- ii. The main reason for the Directed Share Issue being directed to certain existing shareholders is that these have expressed and shown a long-term interest in the Company, which, according to the Board of Directors, creates security and stability for both the Company and its shareholders. At the same time, other shareholders are given the opportunity to defend their ownership in the Rights Issue.
- iii. To carry out a directed share issue can be made at lower costs and with less complexity than a rights issue that had not been combined with the Directed Share Issue. In light of the market volatility, the Board of Directors has assessed that a rights issue, without the implementation of the Directed Share Issue, would also require a rather significant underwriting from a guarantor syndicate that would entail additional costs and/or additional dilution depending on the type of remuneration for such underwriting. As the Company's short-term capital needs are secured through the Directed Share Issue, the Rights Issue can be carried out without underwriting commitments.
- iv. Through the Directed Share Issue, the Company can ensure a strong balance sheet in the prevailing market situation.

The Board of Directors' overall assessment is thus that the reasons for carrying out the Directed Share Issue partly outweigh the reasons that justify the main rule that new share issues shall be carried out with preferential rights for the shareholders, and partly that the Directed Share Issue with the subsequent Rights Issue is the most advantageous alternative for the Company, creates value for the Company, and may be considered to be in the interest of both the Company and all shareholders.

The Board of Directors has, prior to the resolution on the Directed Share Issue, placed great importance on ensuring that the subscription price shall be on market terms in relation to the prevailing share price. The subscription price has been determined through extensive arm's length negotiations with the investors in consultation with Pareto, and by sounding the market taking into account the feedback received by the Company from investors. At the same time, other shareholders are given the opportunity to invest in the Company at the same subscription price as in the Directed Share Issue in the Rights Issue. It is thus the Board of Directors' assessment that the subscription price has been secured on market terms.

The Directed Share Issue entails a dilution of approximately 16.5 percent of the number of shares and votes in the Company (calculated as the number of newly issued shares divided by the total number of shares in the Company after the Directed Share Issue). Through the Directed Share Issue, the number of shares and votes in the Company will increase by 1,994,373, from 10,061,615 to 12,055,988. The share capital will increase by SEK 1,994,373, from SEK 10,061,615 to SEK 12,055,988.

Settlement of the Directed Share Issue is expected to take place on or about 20 June 2024. Stiftelsen Industrifonden has applied for subscription of and been allocated shares that result in their shareholding in the Company exceeding 9.9 percent. As such, Stiftelsen Industrifonden will initially be allocated shares so that their shareholding reaches 9.9 percent, and settlement for the remainder of their allocation will take place following the investment being approved or left without action, before or after closer examination, by the Inspectorate of Strategic Products (Sw. *Inspektionen för strategiska produkter*, "ISP") as the Company's business is considered worthy of protection under the Act (2023:560) on the Screening of Foreign Direct Investments (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*, the "FDI Act").

Repair issue – The Rights Issue

In order to compensate the shareholders who did not participate in the Directed Share Issue, and subject to the EGM resolving to authorize the Board of Directors to issue new shares, it is the intent of the Board of Directors to launch the Rights Issue. Participants in the Directed Share Issue have, expressed interest to subscribe for shares without preferential rights in the Rights Issue but agreed to not exercise or transfer any subscription rights obtained in the Rights Issue, meaning that other shareholders have the opportunity to compensate themselves against the dilution that the Directed Issue entails.

Principal shareholders, who together hold approximately 41.1 percent of the shares and votes in Guard Therapeutics, have undertaken, or expressed their intention to vote in favour of the proposal to authorize the Board to issue shares in the Rights Issue, at the EGM. A notice to the EGM will be published through a separate press release shortly after publication of this press release.

Lock-up undertakings

In connection with the Directed Share Issue, the Company has, subject to customary exceptions, agreed to a lock-up undertaking on future share issuances, with exception of the Rights Issue, for a period of 180 days after the first settlement in the Directed Share Issue. In addition, members of the Company's Board of Directors and management holding shares and/or options, have, subject to customary exceptions, agreed to not sell their shares and/or options in the Company for a period of 180 days after the first settlement in the Directed Share Issue.

Advisors

Pareto Securities acted as Sole Manager and Bookrunner, and Aurelia Advisory AB acted as investor relations advisor in connection with the Directed Share Issue. Setterwalls Advokatbyrå AB acted as legal advisor to the Company in connection with the Directed Share Issue. Baker & McKenzie Advokatbyrå KB acted as legal advisor to the Sole Manager and Bookrunners in connection with the Directed Share Issue.

For further information, please contact:

Tobias Agervald, CEO
Telephone: +46 8 670 65 51
E-mail: info@guardtherapeutics.com

IMPORTANT INFORMATION

Publication, distribution or release of this press release may, in certain jurisdictions, be subject to restrictions by law and the persons in such jurisdictions where this press release has been published or distributed should inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the Company in any jurisdiction where such an offer or solicitation would be illegal. In each Member State of the European Economic Area ("EEA"), this press release is directed only to "qualified investors" in the Member State in accordance with the Regulation (EU) 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") definition.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public offering of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, Switzerland, the United States, or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

In the United Kingdom, this document, and any other material relating to the securities referred to herein, is only being distributed to, and is only directed at, and any investment or investment activity attributable to this document is only available to, and will be engaged in only by, "qualified investors" as defined as (i) professional investors as set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) fall within Article 49(2)(a) to (d) ("entities with high net worth" etc.) of the Order, (all such persons together being referred to as "**Relevant Persons**"). An investment or investment activity to which this communication relates in the United Kingdom is available only to Relevant Persons and will only be carried out with Relevant Persons. Persons that are not Relevant Persons should not take any action based on this press release and should not act or rely on it.

This press release is not a prospectus for the purposes of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorised any offer to the public of shares or rights in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed Share Issue. A prospectus, equivalent to an EU growth prospectus, regarding the Rights Issue described in this press release will, however, be prepared by the Company. The prospectus is to be reviewed and approved by the Swedish Financial Supervisory Authority and thereafter the prospectus will be made public and available on, inter alia, the Company's website. This press release neither identifies nor claims to identify risks (direct or indirect) which could be associated with an investment in new shares. An investment decision to acquire or subscribe for new shares in the New Share Issues may only be made based on publicly available information, which has not been verified by Pareto Securities. Pareto Securities acts on behalf of the Company in connection with the New Share Issues and not for the benefit of any other person or entity. Pareto Securities is not responsible in relation to any other person or entity to provide the protection which has been provided to their customer nor to give advice in connection with the New Share Issues or any other topic mentioned herein. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, development, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by the fact that they contain words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Even if the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements, which are a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release or any obligation to update or revise the statements in this press release to reflect subsequent events. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements contained in this press release speak only as of its date and are subject to change without notice. Neither the Company nor anyone else does undertake any obligation to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless required by law or Nasdaq First North Growth markets rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the issued shares have been subject to a product approval process, which has determined that the shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business

Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("UK MiFIR"); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and, together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares may decline and investors could lose all or part of their investment; the shares offer no guaranteed income and no capital protection; and an investment in the shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the New Share Issues.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares and determining appropriate distribution channels.

As Guard Therapeutics conducts activities worthy of protection in accordance with the FDI Act, certain investments in the New Share Issues may require review by the ISP.

About Guard Therapeutics

Guard Therapeutics is a Swedish biotech company that identifies and develops new therapies for diseases with a great medical need for more effective treatments. The company's investigational drug RMC-035 is being developed as a kidney protective treatment in connection with open heart surgery and kidney transplantation. Guard Therapeutics is listed on Nasdaq First North Growth Market Stockholm.

Certified Adviser is Svensk Kapitalmarknadsgranskning AB, www.skmg.se.

This information is information that Guard Therapeutics is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-06-17 08:00 CEST.

Attachments

[Guard Therapeutics carries out a directed share issue of approximately SEK 60 million and intends to carry out a repair issue](#)