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Guard Therapeutics intends to carry out a capital raise of approximately SEK 180 million

Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company") has mandated Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") to evaluate the conditions to, with deviation from the shareholders' preferential rights, carry out a new share issue against payment in cash targeting Swedish and international investors (the "Directed New Issue") and a new issue of shares with preferential rights for Guard Therapeutics' current shareholders (the "Rights Issue", and together with the Directed New Issue the "Issues"). The Rights Issue is expected to be executed during the fourth quarter of 2021.

The Directed New Issue
The subscription price and the total number of new shares in the Directed New Issue will be determined through an accelerated bookbuilding procedure (the "**Bookbuilding**"). The Company's intention is to raise proceeds of approximately SEK 50 million before transaction costs in the Directed New Issue. The Bookbuilding will commence immediately following this announcement. Pricing and allocation of the new shares are expected to take place before the commencement of trading on Nasdaq First North Growth Market at 09:00 CEST on 21 October 2021. The Board of Directors may resolve to extend, shorten or at any moment terminate the Bookbuilding and thus refrain from carrying out the Directed New Issue. Guard Therapeutics will announce the outcome of the Directed New Issue in a subsequent press release after completion of the Bookbuilding. As of this announcement, the Company has received indications of interest from investors in the Directed New Issue, including from the Company's larger shareholders Rutger Arnhult, via M2 Asset Management AB, and Jan Ståhlberg who together have indicated interest of approximately SEK 20 million.

The reasons for deviating from the shareholder's preferential rights in the Directed New Issue are to, in a time- and cost-effective manner, raise necessary capital in order to be able to conduct a larger phase 2 study of the drug candidate ROSgard, and to further diversify the Company's shareholder base. The Board of Directors' overall assessment is thus that the reasons for carrying out the Directed New Issue with deviation from the shareholders' preferential rights overweighs the principal rule that new share issues shall be carried out with preferential rights for existing shareholders and that a new share issue with deviation from the shareholders' preferential rights, in combination with the Rights Issue, is most favourable for Guard Therapeutics and its

shareholders. Given that the subscription price in the Directed New Issue will be determined through the Bookbuilding, it is the Board of Directors' assessment that the subscription price will be determined in accordance with market conditions. Shares subscribed for in the Directed New Issue will not give preferential rights to subscribe for shares in the Rights Issue.

The Rights Issue

The Board of Directors intends to resolve on the Rights Issue in connection with the Directed New Issue. Provided that the Board of Directors resolves on the Rights Issue, the subscription price in the Rights Issue will be the same as in the Directed New Issue and the Rights Issue is expected to raise proceeds of approximately SEK 130 million before transaction costs. The Rights Issue is expected to be executed during the fourth quarter of 2021. Rutger Arnhult, via M2 Asset Management AB, Jan Ståhlberg and a number of other shareholders that together represent approximately 21 percent of the shares in the Company have expressed their intention to participate pro-rata in the Rights Issue. In addition, Rutger Arnhult via M2 Asset Management AB, and Jan Ståhlberg have expressed their intention to together subscribe for additional shares in the Rights Issue to the extent necessary for it to be fully covered.

Background and reasons for the Issues

Guard Therapeutics has previously announced the positive results from its clinical phase 1b study of the potentially kidney-protecting biological investigational drug ROSgard in connection with open heart surgery. The Issues are carried out to enable a larger phase 2 study of ROSgard, which is planned to be carried out both in North America and a number of European countries. The Company has previously in the phase 1 program of ROSgard demonstrated that the investigational drug has a good tolerability- and safety profile and appropriate pharmacokinetic properties for the treatment of acute kidney injuries. In addition, exploratory analyses of a number of well-established biomarkers in cardiac surgery patients indicate that ROSgard potentially has the ability to protect kidney cells from damage associated with cardiac surgery. This creates good conditions for an upcoming phase 2 study on patients undergoing open heart surgery with a heart-lung machine. Treatment with ROSgard has the potential to save lives and prevent the risk of both acute and chronic kidney damage with subsequent serious consequences as a result of impaired kidney function, such as life-sustaining dialysis treatment.

In addition to costs related to the clinical phase 2 study of ROSgard, the potential proceeds will enable further investments in the area of kidney transplantation as well as in production and production development (so-called CMC; Chemistry, Manufacturing and Control) and preclinical development in order to support the further development of the investigational drug and broaden the Company's pipeline. The proceeds also contributes to increased financial flexibility to conduct ongoing operating activities.

Terms and conditions for the Issues

The Issues are subject to, among other things, that Guard Therapeutics' Board of Directors, after the Bookbuilding has been completed, resolves on the Issues and that the Issues are subsequently approved at an Extraordinary General Meeting. A notice to the Extraordinary General Meeting is expected to be published in connection with the announcement of the outcome of the Bookbuilding.

In connection with the Issues, the Company has agreed to a lock-up undertaking on future share issuance for a period of 180 days from the announcement of the Directed New Issue, subject to customary exceptions. In addition, the Board of Directors, as well as the CEO and CFO, have undertaken not to sell any shares in Guard Therapeutics during the same period, subject to customary exceptions.

Advisers
In connection with the Issues, the Company has retained Danske Bank as Sole Global Coordinator and Bookrunner and Setterwalls Advokatbyrå AB as legal adviser.

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About Guard Therapeutics
Guard Therapeutics is a pharmaceutical company that identifies and develops new therapies for diseases with a great medical need for more effective treatments. The company's clinical investigational drug ROSgard is being developed as a protective treatment against acute kidney injury with an initial focus on patients undergoing heart surgery. Guard Therapeutics is listed on Nasdaq First North Growth Market Stockholm.

Certified Adviser is Svensk Kapitalmarknadsgranskning AB, tel. +46 11 32 30 732, ca@skmg.se.

This 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 person set out above, on 20 October 2021, 17:40 CEST.

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Authority and the prospectus will thereafter be published and kept available on, among other things, the Company's website. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

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, Canada, Hong Kong, Japan, New Zeeland, Singapore, South Africa, 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.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Issues must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Danske Bank (the "**Manager**"). The Manager is acting for the Company in connection with the Issues and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Issues or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Issues. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, 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 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. Although 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 as 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 and 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 that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake 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 it is not required by law or Nasdaq First North Growth Market's 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 shares in the Company have been subject to a product approval process, which has determined that such 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 in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company 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 Directed New Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties.

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 UK MiFIR; 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 in the Company.

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

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Attachments

Guard Therapeutics intends to carry out a capital raise of approximately SEK 180 million