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Guard Therapeutics has decided to carry out a directed share issue of SEK 120 million, partly subject to subsequent approval by an extraordinary general meeting

The board of directors of Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company") has, as announced in the Company's press release earlier today, decided to carry out a directed share issue of 160,000,000 shares, at a subscription price of SEK 0.750 per share, corresponding to issue proceeds of SEK 120 million (the "Directed Share Issue"). The subscription price was determined through an accelerated bookbuilding procedure conducted by ABG Sundal Collier AB ("ABG Sundal Collier") as Sole Global Coordinator and Sole Bookrunner. In the Directed Share Issue a number of institutional, professional and specialist investors participated, including Stiftelsen Industrifonden ("Industrifonden"), Swedbank Robur Fonder, Strand Kapitalförvaltning and Arctic Asset Management, who applied for subscription for shares at an amount corresponding to SEK 35 million, SEK 25 million, SEK 16 million and SEK 13 million, respectively. 137,733,334 shares in the Directed Share Issue are subject to subsequent approval by an extraordinary general meeting, which is expected to be held on 13 December 2022. Notice to the extraordinary general meeting will be published through a separate press release.

Guard Therapeutics has completed the accelerated bookbuilding procedure announced by the Company earlier today and the board of directors of the Company has resolved to carry out a directed share issue of 160,000,000 shares. The Directed Share Issue is made in two tranches. The board of directors of the Company has (i) resolved on the first tranche of 22,266,666 shares, corresponding to SEK 17 million, based on the authorisation granted by the Annual General Meeting held on 12 May 2022 ("**Tranche 1**"), and (ii) resolved on the second tranche of 137,733,334 shares, corresponding to SEK 103 million, subject to approval of a subsequent extraordinary general meeting ("**Tranche 2**").

The subscription price in the Directed Share Issue was determined to SEK 0.750 per share, corresponding to issue proceeds of SEK 120 million before transaction costs. The subscription price corresponds to a discount of approximately 5 percent compared to the 15 days' volume weighted average price ("**VWAP**") on Nasdaq First North Growth Market.
The Company will publish a separate notice to the extraordinary general meeting, which is

expected to be held on 13 December 2022. Existing shareholders, who together hold approximately 33 percent of the shares in Guard Therapeutics, have undertaken to vote for approval of Tranche 2 at the extraordinary general meeting, as well as the appointment of Fredrik Lehmann as new board member of the Company.

Through the Directed Share Issue, the number of shares and votes in Guard Therapeutics will increase by 160,000,000, from 343,080,745 shares and votes to 503,080,745 shares and votes, and the share capital will increase by SEK 3,200,000.00 from 6,861,614.90 to SEK 10,061,614.90. The Directed Share Issue entails a dilution of approximately 32 percent of the number of shares and votes in the Company.

The subscription price was determined through an accelerated bookbuilding procedure, led by ABG Sundal Collier, and it is therefore the board of directors' assessment that the subscription price accurately reflects current market conditions and demand. The investors in the Directed Share Issue comprised a number of institutional, professional and specialist investors, including Industrifonden, Swedbank Robour Fonder, Strand Kapitalförvaltning and Arctic Asset Management, who committed to subscribe for shares in the Directed Share Issue corresponding to SEK 35 million, SEK 25 million, SEK 16 million and SEK 13 million, respectively. Industrifonden's commitment is, among other things, conditional on that Fredrik Lehmann is elected as new board member in the Company at the extraordinary general meeting that will approve Tranche 2.
"I am very pleased that through this capital raise we give Guard Therapeutics good conditions to continue developing innovative and effective treatments for different types of kidney injuries in order to create value for patients, society and shareholders alike. The deviation from the shareholders' pre-emptive rights is not a decision taken lightly, but the possibility to reach a time efficient solution under prevailing volatile market conditions together with strong institutional investors having the capacity to support us in a longer perspective were central reasons. Now we can focus on the ongoing phase 2 study in patients undergoing cardiac surgery and initiate preparatory activities for a subsequent registrational study" says Johan Bygge, Chairman of the board of Guard Therapeutics.

The net proceeds from the Directed Share Issue are intended to be used to secure the completion of the Company's phase 2 study (AKITA) and to finance selected preparatory phase 3 activities including CMC development. The board of directors has made an overall assessment and carefully considered the possibility of acquiring the necessary capital through a rights issue, but believes that it would e.g. entail a risk that the Company cannot accommodate its capital needs and simultaneously maintain an optimal capital structure. Since the Directed Share Issue will, among other things, (i) diversify the Company's shareholder base with new reputable institutional owners, (ii) further strengthen the Company's financial position to enable the Company to carry out the above-mentioned purposes, (iii) be carried out in a more time-efficient manner and at a lower cost and with less complexity than a rights issue, and (iv) ensure a strong balance sheet in the current market situation, the board of directors' overall assessment is that the reasons for carrying out the Directed Share Issue with a deviation from the existing shareholders' preferential rights outweigh the reasons that justify the main rule that share issues should be carried out with preferential rights for the shareholders.

Conditions for the Directed Share Issue

The board of directors' decision on Tranche 2 is subject to approval at the extraordinary general meeting, which is expected to be held on 13 December 2022. Notice to the extraordinary general meeting will be published through a separate press release. The execution of Tranche 1 is not conditional upon Tranche 2 being carried out.

Lock-up and voting commitments

In connection with the Directed Share Issue, the Company has, with customary exceptions, undertaken a lock-up period regarding future share issues during a period of 180 days after the settlement date for Tranche 2. In addition, members of the Company's board of directors and management team have, with customary exceptions, undertaken not to sell shares in Guard Therapeutics for a period until top line results from the Company's phase 2 study of RMC-035 (AKITA) has been reported. The major shareholders M2 Asset Management AB and Jan Ståhlberg have on equivalent terms committed not to sell shares in Guard Therapeutics during the same period. M2 Asset Management AB and Jan Ståhlberg have also undertaken to vote for the approval of Tranche 2 at the extraordinary general meeting, which is expected to be held on 13 December 2022, as well as the appointment of Fredrik Lehmann as new board member of the Company.

Advisors

ABG Sundal Collier acts as Sole Global Coordinator and Sole Bookrunner, and Aurelia Invest AB acts as investor relations advisor in connection with the Directed Share Issue. Setterwalls Advokatbyrå AB acts as legal advisor to Guard Therapeutics in connection with the Directed Share Issue.

IMPORTANT INFORMATION

Publication, announcement or distribution of this press release may, in certain jurisdictions, be subject to restrictions by law and persons in the 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 an offer, or a solicitation of any offer, to buy or subscribe for any securities in the Company in any jurisdiction, neither from the Company nor from anyone else.

This press release 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 in connection with the Directed Share shall only 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 ABG Sundal Collier. The information contained in this announcement is for background purposes only and does not purport to be complete. Thus, an investor should not place undue reliance on the information contained in this press release or its accuracy or completeness. ABG Sundal Collier is acting for the Company in connection with the transaction and no one else. ABG Sundal Collier 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 transaction or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's decision with respect to the Directed Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and in all publicly available information. The price and value of the securities can decrease as well as increase. Past performance is not a guide to future performance.

This press release does not constitute or form part of an offer or invitation 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 subject to an exemption from, or 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 or distributed, directly or indirectly, in whole or in part, within or into the United States, Australia, Canada, New Zealand, Hong Kong, Japan, Singapore, South Africa, South Korea, Russia, Belarus or in any other jurisdiction where the announcement, publication or distribution of the information would be contrary to the applicable laws and regulations or would require prospectuses, registration or any other measures than those required by Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the " **Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. Guard Therapeutics has not authorized 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. In any EEA member state, this press release is only addressed to and is only directed at "qualified investors" in that member state within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials regarding the securities described herein is only being distributed and directed to, and any investment or investment activity to which this document relates is available only to, and can only be used by, "qualified investors" (within the meaning of the United Kingdom version of the EU Prospectus Regulation (2017/1129/ EU) which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the British Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth individuals falling within Article 49(2) (a)-(d) of the Order (all such persons together being referred to as "**Relevant Persons**"). An investment or an investment measure, as this notice refers to in the United Kingdom only available to and will only be carried out with Relevant Persons. Persons who are not Relevant Persons should not take any action based on this press release nor act or rely on it.

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) Directive 2014/65/EU of the European Parliament and the Council 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 Guard Therapeutics 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 Guard Therapeutics may decline and investors could lose all or part of their investment; the shares in Guard Therapeutics offer no guaranteed income and no capital protection; and an investment in the shares in Guard Therapeutics 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 Share Issue. Furthermore, it should be noted that regardless the Target Market Assessment, ABG Sundal Collier will only provide to investors who comply the criteria for professional clients and acceptable 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 Guard Therapeutics.
Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Guard Therapeutics and determining appropriate distribution channels.

For further information, please contact:

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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, tel. +46 11 32 30 732, ca@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 2022-11-10 22:15 CET.

Attachments

Guard Therapeutics has decided to carry out a directed share issue of SEK 120 million, partly subject to subsequent approval by an extraordinary general meeting