

Amniotics AB changes its strategic direction and implements cost-saving measures

Amniotics AB (publ) announces today that the company will change the strategic direction and scope of the business, which will lead to cost savings in both short and long term. The savings are expected to reduce the company's costs by three quarters in the long term.

During the past year, the company has achieved several significant goals and PulmoStem is now advanced to clinical development and has been administered to humans for the first time.

The availability of capital has deteriorated significantly over the past year and due to the current market conditions, Amniotics believes that the company will not be able to attract funding to pursue all of the previously planned projects. As a consequence, the company has today decided to initiate an extended cost-saving program and review of strategic focus. Amniotics has also decided on a capital raise that will give the Company the opportunity to implement the updated strategy and reach new milestones, which will be announced through a separate press release.

The company is making extensive cost savings, including reductions in staff and reviewing costs of the ongoing clinical trial. The company will focus on identifying partners for continued clinical development of PulmoStem In 2023. Amniotics will prioritize advancing the anti-cancer program NK003, which was recently granted an EU grant. Overall, Amniotics intends to reduce costs by focusing on its core areas, with a focus on research and development, out-licensing and partnerships regarding current and future stem cell projects.

"I am convinced that a re-direction of our strategy is the best for the company in the current financial environment. This means that we focus on our core strengths advancing our latest product candidate, NK003 against solid and hematological cancers and seek collaboration partners for clinical development of PulmoStem and other promising product candidates in our pipeline, says Marcus Larsson, CEO Amniotics".

About NK003

The company's anti-cancer platform AMNI-NK003 aims to produce NK (Natural Killer) cells with high anti-tumour activity and is based on discoveries by one of our founders. The concept is based on new mechanisms to guide iPSC stem cells to become NK cells in large volumes and with high potency. NK cells are part of the immune system, and these cells scan the body to detect and eliminate cancer cells. By making large numbers of NK cells and having them ready for immediate use, they have the potential to become a widely available cell therapy for cancer treatment. The company is also evaluating the possibilities of enhancing the antitumor response by adding cancer-specific receptors to the cells. NK cell therapies have been shown in several clinical studies to be effective against both hematological and solid tumours.

Earlier this year, the company announced that it has been invited to finalize a grant

agreement with the European Innovation Council (EIC) as part of a consortium set to receive a grant of €3,8 Million from the EIC Pathfinder program. This grant will fund the development of iPS derived, enhanced NK cells by a consortium led by Amniotics AB. Other participants are Lund University, Medizinische Hochschule Hannover and the University of Copenhagen.

For more information please contact

Marcus Larsson
CEO, Amniotics AB
Phone: +46 (0) 763 0840 91
Email: ml@amniotics.com

or
Johnny Humaloja
CFO, Amniotics AB
Phone: +46 (0) 735 0668 56
Email: jh@amniotics.com

About Amniotics

Amniotics is a biopharma company focusing on mesenchymal stem cells (MSC) from amniotic fluid. The company was born out of the discovery of a novel source of stem cells in full-term amniotic fluid. Based on a decade of research at the internationally recognized Lund University Stem Cell Centre and the Skåne University Hospital of Lund, the company is pioneering the harvesting and propagation of tissue specific neonatal quality mesenchymal stem cells (MSC). These stem cells have unique properties for applications in regenerative medicine. Amniotics has also an, by Läkemedelsverket (Swedish MPA), approved Good Manufacturing Practice (GMP) facility to produce Advanced Therapy Medicinal Products (ATMPs). With the GMP facilities operational since 2020, Amniotics is now in clinical phase with the leading drug candidate PulmoStem™. The company is looking to establish strategic partnerships with researchers and companies that are interested in developing stem-cell-based therapies targeting diseases with high unmet needs.

Amniotics (publ) has its headquarter in Lund, Sweden.

The company is listed at Nasdaq First North Growth Market in Stockholm.
Amniotics Certified Adviser at First North is Redeye AB, e-post: certifiedadviser@redeye.se.
Learn more at www.amniotics.com.

This information is information that Amniotics 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 2022-12-20 20:00 CET.

Press Release
20 December 2022 20:00:00 CET



Attachments

Amniotics AB changes its strategic direction and implements cost-saving measures