Guard Therapeutics explores the conditions to carry out a directed share issue of approximately SEK 115 million

Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company") (listed on Nasdaq First North Growth Market, under the ticker GUARD) intends to explore the conditions to carry out a directed share issue of approximately SEK 115 million (the "Directed Share Issue"). The Directed Share Issue is intended to be directed to Swedish and international institutional investors. Guard Therapeutics has appointed ABG Sundal Collier AB ("ABG Sundal Collier") as Sole Global Coordinator and Sole Bookrunner to explore the conditions to carry out the Directed Share Issue through an accelerated bookbuilding procedure.

The board of directors of Guard Therapeutics intends to resolve on the Directed Share Issue with deviation from the existing shareholders' preferential rights, partly based on the authorisation granted by the annual general meeting held on 12 May 2022 ("**Tranche 1**"), and partly subject to approval of a subsequent extraordinary general meeting ("**Tranche 2**"). If the board of directors decides on the Directed Share Issue, the Company will publish a separate notice to an extraordinary general meeting for the approval of Tranche 2, 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. The subscription price and total number of shares to be issued in the Directed Share Issue will be determined through an accelerated bookbuilding procedure which will commence immediately after the publication of this press release. Pricing and allocation in the accelerated bookbuilding procedure is expected to take place before the commencement of trading on Nasdaq First North Growth Market on 11 November 2022. The completion, pricing and allocation in the accelerated bookbuilding procedure are at the discretion of the Company and may be shortened or extended and may at any time be cancelled by the board of directors. The Company will announce the outcome in a subsequent press release after the accelerated bookbuilding procedure has been completed.

The Company has, at the time of this publication, received indications of interest from investors in the Directed Share Issue including, among others, Stiftelsen Industrifonden ("**Industrifonden**"). Industrifonden's indication of interest 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.

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. Since the subscription price in the Directed Share Issue will be determined through an accelerated bookbuilding procedure, it is the board of directors' assessment that the subscription price will reflect current market conditions and demand.

Conditions for the Directed Share Issue

The Directed Share Issue is conditional on, among other things, that the board of directors of Guard Therapeutics, after the accelerated bookbuilding procedure has been completed, resolves on the Directed Share Issue and as far as Tranche 2 is concerned, that Tranche 2 is then approved at an extraordinary general meeting, which is expected to be held on 13 December 2022. Notice to the extraordinary general meeting is expected to be published in connection with the publication of the outcome of the accelerated bookbuilding procedure. 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.

For further information, please contact:

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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 10 November 2022, 17:31.

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.

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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.

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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.

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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.

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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 17:40 CET.

Attachments

Guard Therapeutics explores the conditions to carry out a directed share issue of approximately SEK 115 million