Press Release
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Amniotics announces offering of units of up to SEK 60 million and publishes prospectus in connection with its listing on Nasdaq First North Growth Market

Amniotics AB (publ) ("Amniotics" or the "Company"), a biopharma company within stem cell development, announced on 9 June 2021 its intention to carry out an offering of units and to list the Company's shares and warrants on Nasdaq First North Growth Market (the "IPO" or the "Offering"). The Offering is comprised of units, with each unit consisting of two shares and one warrant, at a subscription price of SEK 41 per unit (SEK 20.50 per share), which is expected to provide Amniotics with proceeds of SEK 60 million before deduction of transaction costs. The prospectus for the Offering has today been approved and registered by the Swedish Financial Supervisory Authority (Sw. Finansinspektionen) and is now available on the Company's website, www.amniotics.com. The first day of trading in the Company's shares and warrants is expected to be on 6 July 2021.

The Offering in brief

- The Offering is made to the general public in Sweden, Norway and Finland as well as to institutional investors in Sweden and abroad.
- The Offering consists of not more than 1,463,415 units. Each unit consists of two (2) shares and one (1) warrant of series TO 1.
- The subscription price is SEK 41 per unit, corresponding to SEK 20.50 per share and a company valuation of SEK 265 million before the Offering. The warrants of series TO 1 are issued free of charge.
- Upon full subscription of the Offering, the Company will receive proceeds of SEK 60 million before deduction of transaction costs.
- In order to cover any over-allotment in connection with the Offering, the Offering includes an over-allotment option of an additional 390,244 shares and 195,122 warrants of series TO 1, corresponding to not more than 195,122 units (the "**Over-Allotment Option**"). If the Over-Allotment Option is exercised in full, the Company will receive additional proceeds of SEK 8 million before deduction of transaction costs.

- Each warrant of series TO 1 will entitle the holder to subscribe for one (1) new share in the Company, during the period from and including 5 May 2022 up to and including 19 May 2022, at a subscription price of SEK 23.50 per share.
- Upon full subscription of the Offering, including a fully exercised Over-Allotment Option, a total of 1,658,537 warrants series TO 1 will be issued, and if these warrants are exercised in full, the Company will receive additional proceeds of approximately SEK 39 million before deduction of transaction costs.
- Amniotics has received subscription commitments from existing shareholders and external investors of approximately SEK 43 million, corresponding to 72 % of the Offering.
- The Company's major shareholders as well as board members and senior executives have agreed on customary lock-up undertakings for a period of 360 after the first day of trading on Nasdaq First North Growth Market.
- The subscription period will run from and including 15 June 2021 up to and including 29 June 2021.
- The new shares will be issued under the ISIN code SE0015961016. The warrants of series TO 1 will be issued under ISIN code SE0016101471.
- On 9 June 2021, Nasdaq Stockholm AB assessed that the Company meets Nasdaq First North Growth Market's listing requirements, provided that customary conditions, including the dispersion requirement, are met no later than on the day of listing of the Company's shares and warrants, and that the Company applies for admission to trading. The first day of trading in the Company's shares and warrants on Nasdaq First North Growth Market is expected to be on 6 July 2021.
- Full terms and conditions and instructions for the Offering are included in the prospectus which the Company has prepared in connection with the Offering and which today has been approved by the Swedish Financial Supervisory Authority, and is now available on the Company's website, www.amniotics.com.

"*The listing of Amniotics on Nasdaq First North Growth Market is a logical next step on our growth journey, and this will enable us to take our first drug candidate, PulmoStemTM, specifically aimed at healing degenerative lung damage, into the clinical phase and also to further broaden our pipeline of tissue specific stem cell products. This will also create external visibility and attract potential partners. I am proud of our achievements within product development and manufacturing of stem cells and with new investors onboard, I am looking forward to accelerating our product development*" says Amniotics' CEO, Kåre Engkilde.

About Amniotics
Amniotics is a biopharma company developing and manufacturing a broad pipeline of therapeutics based on Mesenchymal Stem Cells ("**MSC**"). The company is preparing for the first clinical phase I/II trial with its lead drug candidate PulmoStem™, which is planned to start in H1 2022. PulmoStem™ is developed for patients suffering from respiratory diseases, where some of the main characteristics are severe inflammation and fibrosis.

A key feature of stem cells is their ability to heal and regenerate tissues, either by directly contributing to the regeneration of new tissue or by stimulating cells in a damaged tissue for improved self-repair. Stem cell therapeutics are expected to be valuable in the treatment of severe or life-threatening

diseases where effective treatments are lacking or are insufficient.

Amniotics unique platform technology enables the extraction of stem cells from amniotic fluid, sourced from healthy voluntary donors in connection with planned caesarean sections and specifically propagate cells of specific tissue types e.g., lung cells for lung tissue repair, skin specific cell for wound healing etc. The technology is broadly applicable to disease areas such as: Respiratory (Lung); Neurodegenerative (Brain); Nephrology (Kidney) and Dermatology (Skin). The advantages of sourcing stem cells from full-term amniotic fluid are, in addition to the high quality of the neonatal cells, the amount of cells/fluid that is collected, the ease with which the fluid can be handled as well as the possibility to select MSCs specific for different body tissues.

Amniotics has established its own GMP (Good Manufacturing Production) facility, which was approved by the Swedish Authorities (Läkemedelsverket) in 2020. The company will be able to supply the final product for clinical trials and ultimately to patients once the products have been approved. Amniotics will also be able to serve as a contract manufacturer of stem cells for the life science industry and for Universities and Hospitals.

Background and reasons for the Offering
The Company's founders have vast experience from research within stem cells and amniotic fluid and has since the foundation of Amniotics continued that research and development with industrial methodology. Amniotics has also invested in their GMP-certified production facility and recruited key competences ahead of the upcoming clinical studies. Amniotics plans to use MSC with lung-specific characteristics for patients with severe inflammatory and fibrotic lung diseases. To be able to execute these clinical studies, capital is needed, and the board of directors of Amniotics considers it to be a natural step in the Company's development to apply for a listing on Nasdaq First North Growth Market and to carry out the Offering.

The net proceeds from the Offering, including the Over-Allotment Option and any proceeds from the exercise of warrants, is intended to be used, in order of priority, for the following purposes:

50 % - Clinical Development
30 % - Salaries and external consultants
10 % - Office and other cost
10 % - Lab costs and animal development

Prospectus and subscription
A prospectus, containing the complete terms and conditions of the Offering, has been published today on Amniotics' website, www.amniotics.com. During the subscription period, the prospectus will also be available on Nordic Issuing's and Redeye's respective websites, www.nordic-issuing.se, www.redeye.se. The prospectus will also, within a couple of days, be available on the Swedish Financial Supervisory Authority's website, https://fi.se/sv/vararegister/prospektregistret. Applications from the general public can be made through Nordnet in accordance with the terms set out in the prospectus.

The prospectus has been approved by the Swedish Financial Supervisory Authority, and the

prospectus has subsequently been passported to Norway and Finland. The approval of the prospectus by the Swedish Financial Supervisory Authority should not be understood as an endorsement of the securities offered. In order to fully understand the potential risks and rewards associated with the decision to invest in the Offering, potential investors should read the prospectus before making an investment decision.

Preliminary timetable

Publishing of the prospectus	14 June 2021
Subscription period	15–29 June 2021
Settlement date	2 July 2021
First day of trading on Nasdaq First North Growth Market	6 July 2021

Stabilization measures

In Connection with the Offering, Lago Kapital Oy will act as stabilization manager ("**Stabilization Manager**") and may conduct transactions in order to maintain the market price for the shares at a level above that which might otherwise prevail in the open market. However, the warrants will in no case be subject to any stabilization measures. Such stabilization transactions may be carried out on Nasdaq First North Growth Market, in the over-the-counter market or otherwise, at any time during the period starting on the date of commencement of trading in the shares and warrants on Nasdaq First North Growth Market and ending not later than 30 calendar days thereafter.

The Stabilization Manager has no obligation to undertake any stabilization measures and there is no assurance that stabilization measures will be undertaken. Under no circumstances will transactions be conducted at a price higher than the one set in the Offering. The Stabilization Manager may use the Over-Allotment Option to over-allot shares and warrants in order to facilitate any stabilization transaction.

The stabilization transactions, if conducted, may be discontinued at any time without prior notice but must be discontinued no later than within the aforementioned 30-day period. The Stabilization Manager must, no later than by the end of the seventh trading day after stabilization transactions have been undertaken, in accordance with article 5 (4) of the Market Abuse Regulation (EU) 596 /2014 and the Commission Delegated Regulation (EU) 2016/1052, disclose that stabilization measures have been undertaken. Within one week of the end of the stabilization period, the Stabilization Manager will disclose whether or not stabilization measures were undertaken, the date on which stabilization started, the date on which stabilization was last carried out as well as the price range within which stabilization was carried out for each of the dates when stabilization measures were conducted.

Advisers
Redeye Aktiebolag acts as financial adviser and Setterwalls Advokatbyrå AB acts as legal adviser in connection with the IPO. Nordic Issuing acts as issuing agent and Nordnet Bank AB acts as retail selling agent in connection with the IPO.

Certified Adviser
Redeye Aktiebolag is Certified Adviser for Amniotics. Contact details to Redeye: tel. +46 8 121 576 90, e-mail certifiedadviser@redeye.se.

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IMPORTANT INFORMATION
This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by Amniotics in any jurisdiction where such offer or sale would be unlawful.

Copies of this announcement are not being made and may not be distributed or sent into the United States of America, (including its territories and possessions), any state of the United States including the District of Columbia, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, Switzerland, South Africa, South Korea or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures. The securities referred to in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. Amniotics does not intend to register any offering in the United States or to conduct a public offering of securities in the United States.

The Offering referred to in this announcement is only being made by means of the prospectus prepared by the Company today, 14 June 2021. The prospectus has been approved and registered by the Swedish Financial Supervisory Authority, and the prospectus has subsequently been passported to Norway and Finland. The prospectus is available on Amniotics' website, www.amniotics.com.

This announcement is an **advertisement** and not a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State, the "**Prospectus Regulation**"). Investors should not invest in any securities referred to in this announcement except on the basis of information contained in the prospectus and potential investors should read the prospectus before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the securities. The approval by the Swedish Financial Supervisory Authority of the prospectus should not be understood as an endorsement of the securities that are the subject of such prospectus.

In any EEA Member State other than Sweden (each, a "**Relevant Member State**"), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of article 2 (e) of the Prospectus Regulation, that is, only to investors who can receive the offer without an approved prospectus in such Relevant Member State.

In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "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 who fall within the definition of "investment professionals" in Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) high net worth entities falling within Article 49 (2)(a) to (d) of the Order (all such persons together being referred to as "**Relevant Persons**"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, Relevant Persons. Persons who are not Relevant Persons should not take any action on the basis of this press release and should not act or rely on it.

FORWARD-LOOKING STATEMENTS

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intends", "estimate", "will", "may", "continue", "should" and similar expressions. The forward-looking statements in this release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although Amniotics believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. 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 information, opinions and forward-looking statements contained in this announcement speak only as at 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 the Nasdaq First North Growth Market Rulebook for issuers.

STABILIZATION MEASURES

In connection with the offer or sale of securities referred to herein, a financial advisor engaged by Amniotics may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the shares at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the engaged financial advisor in accordance with all applicable laws and rules.

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 Amniotics 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 Amniotics may decline and investors could lose all or part of their investment; the shares in Amniotics offer no guaranteed income and no capital protection; and an investment in the shares in Amniotics 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 Offering.

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 Amniotics.

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

Attachments

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