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Amniotics intends to list its shares on Nasdaq First North Growth Market

Amniotics AB (publ) (“Amniotics” or the “Company”), a biopharma company within stem cell development, today announces its intention to list its shares on Nasdaq First North Growth Market and to carry out an issue of units (the “IPO” or the “Offering”). The Offering is expected to consist 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), that are expected to provide Amniotics with initial proceeds of SEK 60 million before deduction of transaction costs. Amniotics has received subscription commitments of approximately SEK 43 million, corresponding to 72 % of the Offering. Nasdaq Stockholm AB has, with customary reservations, informed that the Company meets the listing requirements.

Amniotics is a new challenger in the fast-growing stem cell field with its ability to produce a portfolio of different tissue specific neonatal quality stem cells from amniotic fluid sourced from planned C-sections. The company is a biopharma company developing and manufacturing a broad pipeline of therapeutics based on Mesenchymal Stem Cells (“MSC”). 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.

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.

Amniotics unique platform technology enables the extraction of Mesenchymal Stem Cells (MSC) 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 Good Manufacturing Practice (GMP) facility, which was approved by the Swedish Authorities (Läkemedelsverket) in 2020. With this facility up and running, the company will be able to supply the final product for clinical trials and ultimately to patients once the products have been approved. With its new production plant, Amniotics will also be able to serve as a contract manufacturer of stem cells for the life science industry and for Universities and Hospitals.

Amniotics controls the whole manufacturing value chain with patents and patent applications covering aspects of the entire process from the amniotic fluid collection device to the filling of vials.

Comment from Amniotics CEO, Kåre Engkilde:

“Listing Amniotics on Nasdaq is a logical next step on our growth journey, and this will enable us to take our first drug candidate, PulmoStem™ 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.”

The Offering in brief

- The Offering is expected to consist 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), that are expected to provide Amniotics with initial proceeds of SEK 60 million before deduction of transaction costs.
- The units in the Offering is expected to be offered to institutional investors in Sweden and abroad, as well as to the general public in Sweden, Norway and Finland.
- The Offering is expected to include an over-allotment option (the “**Over-Allotment Option**”), which, if the Over-Allotment Option is exercised in full, is expected to provide Amniotics with additional proceeds of SEK 8 million before deduction of transaction costs.
- Each warrant issued as part of the unit is expected to give the right to subscribe for one new share at a subscription price of SEK 23.50 per share. If the warrants are exercised in full, Amniotics is expected to receive additional proceeds of SEK 34 million before deduction of transaction costs, and up to SEK 39 million in total if the Over-Allotment Option is exercised in full.
- Amniotics has received subscription commitments of approximately SEK 43 million, corresponding to 72 % of the Offering.
- The subscription period is expected to run from and including 15 June 2021 up to and including 29 June 2021.
- The first day of trading in the shares and warrants on Nasdaq First North Growth Market is expected to be on 6 July 2021.

Use of proceeds

The Offering is expected to provide Amniotics with initial issue proceeds of approximately SEK 60 million before deduction of transaction costs. Amniotics intends to use the net proceeds from the IPO accordingly:

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

Investor meetings

Invitation to investor meetings will be sent out separately and will also be presented on Amniotics' and Redeye's respective websites (www.amniotics.com, www.redeye.se).

Prospectus

Full terms and conditions as well as information about subscription commitments will be included in the prospectus that will be prepared by the Company in connection with the Offering. Publication of the prospectus is expected around week 24, 2021, following approval from the Swedish Financial Supervisory Authority (Sw. Finansinspektionen).

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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ABOUT AMNIOTICS

Amniotics AB 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 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 (MPA in Sweden), approved Good Manufacturing Practice (GMP) manufacturing facility to produce Advanced therapy medicinal products (ATMPs). With the GMP facility operational since 2020, Amniotics is now moving into clinical development with the leading drug candidate, PulmoStem™ and 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 it's headquarter in Lund, Sweden.

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.

Any offering of the securities referred to in this announcement will be made by means of a prospectus that will be published on Amniotics' website, www.amniotics.com, following approval from the Swedish Financial Supervisory Authority.

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. Any approval by the Swedish Financial Supervisory Authority of a 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 securities 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 any 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

[Amniotics intends to list its shares on Nasdaq First North Growth Market](#)