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## **Amniotics resolves on a rights issue of units of approximately SEK 36.1 million secured to approximately 70 percent and brings forward the publication of the interim report for the fourth quarter of 2022**

The Board of Directors of Amniotics AB (publ) (“Amniotics” or the “Company”) has today, subject to a subsequent approval at an extraordinary general meeting in the Company on 20 January 2023, resolved on a rights issue of units consisting of shares and warrants with preferential rights for existing shareholders amounting to approximately SEK 36.1 million (the “Rights Issue”). The Company has received subscription commitments from a number of Amniotics’ major existing shareholders, including CEO Marcus Larsson through Deflexum AB, Christer Fåræus through Fårö Capital AB (“Fårö Capital”) and from LSCS Invest AB, amounting to a total of approximately SEK 8.8 million, corresponding to approximately 24.4 percent of the Rights Issue. The Company has also entered into agreements on issue guarantees for a total of approximately SEK 16.5 million, which means that the Rights Issue is secured up to approximately 70 percent. The issue proceeds are mainly intended to finance clinical development, research and development as well as business development. Notice to the extraordinary general meeting will be published in a separate press release. Due to the Rights Issue, the Board of Directors has resolved to bring forward the publication of the interim report for the period 1 January – 31 December 2022 to 19 January 2023.

### **The Rights Issue in brief**

- One (1) existing share in Amniotics entitles to one (1) unit right. One (1) unit right entitles to subscribe for nine (9) units. One (1) unit consists of one (1) share and one (1) warrant series TO 2.
- The subscription price has been set to SEK 0.25 per unit, which corresponds to SEK 0.25 per share. The warrants are issued free of charge. Upon full subscription in the Rights Issue, the Company will receive approximately SEK 36.1 million before deduction of issue costs.
- The record date for the Rights Issue is 24 January 2023 and the subscription period runs from and including 26 January 2023 up until and including 9 February 2023.
- The last day for trading with a right to participate in in the Rights Issue is 20 January 2023.

- A number of the Company's major shareholders support the Rights Issue and have entered into agreements regarding subscription commitments amounting to approximately SEK 8.8 million in total, corresponding to approximately 24.4 percent of the Rights Issue. The Company has also entered into agreements regarding guarantee commitments amounting to approximately SEK 16.5 million in total, whereby the Rights Issue, as such, is secured up to approximately 70 percent.
- For the guarantee commitments, a guarantee fee of fifteen 15 percent of the guaranteed amount is payable in cash. No compensation is paid for the subscription commitments.
- In connection with the Rights Issue, all shareholding members of the Company's Board of Directors and management have undertaken towards Vator Securities AB, subject to customary exceptions, not to sell financial instruments in the Company for a period of 180 days from the announcement of the Rights Issue.
- The Company intends to publish a prospectus regarding the Rights Issue around 20 January 2023 (the "**Prospectus**").
- In connection with the Rights Issue, Amniotics has renegotiated the outstanding loans from Modelio Equity AB ("**Modelio**") and Fårö Capital in May 2022. After the Rights Issue, Modelio's remaining loan will amount to a capital amount of up to SEK 4.0 million, whereas Fårö Capitals' loan will be paid in full. The loan is extended until 30 September 2023 and continues to run with a monthly interest rate of 1.5 percent.

### **Background and reasons for the Rights Issue**

Amniotics is a biopharma company that develops allogeneic cell therapy drugs based on mesenchymal stem cells (MSC) from amniotic fluid, derived from planned caesarean sections. The Company develops two types of cell therapy; one is mesenchymal stem cells ("**MSCs**"), with the particular characteristic that the cells are derived from different tissues of the newborn baby via amniotic fluid; lung/kidney/nervous system/skin. The second type is so-called Natural Killer cells ("**NK cells**") which are generated via iPSC (induced Pluripotent Stem Cells) where the produced cells are to be used in cancer treatment. The Company has today developed a multi-patented process, which includes extraction of amniotic fluid with a proprietary medical device, sorting and multiplying of the stem cells, which is carried out in the Company's own GMP-approved (Good Manufacturing Process) production facility, which includes final packaging of the stem cell material in ampoules. For a number of diseases and conditions where effective treatment today is lacking or insufficient, cell therapy can be a potential alternative. Amniotics sees an opportunity to address this medical need by developing new effective treatment methods based on tissue-specific MSC and NK cells.

Amniotics Phase Ib study in hospitalized patients with moderate to severe lower respiratory tract infections caused by COVID-19 or other serious airborne viruses, such as influenza A is the first clinical study in humans to investigate the safety and tolerability of intravenous dosing at different doses of PulmoStem™, the Company's lung-specific product. The study is being conducted in Sweden and the UK, where the first patient was treated during October 2022. On 19 December 2022, the Company announced that safety has been established in the first cohort.

The NK-cell project is a recently established strategic focus area for Amniotics and is in pre-clinical phase. The Company is currently working to make the continued development program GMP-compliant in order to accelerate the development towards clinical trials. Amniotics has filed six patent applications in this area and a seventh patent application is planned during the first half of 2023. The Company is also exploring partnerships to increase the value of the project and accelerate its development. On 14 November 2022, the Company announced that it had been invited to finalize a grant agreement with the European Innovation Council (EIC) as part of a consortium set to receive a grant of EUR 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.

The Company has initiated a focused strategy to 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. 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, including research and development, out-licensing and partnerships for current and future stem cell projects.

It is, however, the Company's assessment that the existing working capital is not sufficient to run the business over the next twelve months. In order to finance the Company's clinical studies, research and development and business development, the Company has decided to carry out the Rights Issue.

### **Use of proceeds**

Upon the full subscription of the Rights Issue, the Company is expected to receive initial net proceeds of approximately SEK 31.1 million after deduction of issue costs of approximately SEK 5.0 million. The net proceeds will then be used to pay off bridge loans, either through set-off or in cash, for an amount of up to approximately SEK 15.0 million, whereby the remaining proceeds are intended to be used for the following purposes in order of priority:

- Approximately 43 percent will be used to finance the ongoing PulmoStem phase Ib study.
- Approximately 9 percent will be used to finance the pre-clinical work with NK003.
- Approximately 12 percent will be used to finance research and development in the form of lab costs and animal studies.
- Approximately 36 percent will be used to finance general and administrative costs (G&A) and business development.

If all warrants series TO 2 issued in the Rights Issue are exercised for the subscription of shares, the Company will receive additional net proceeds of up to approximately SEK 69.8 million after deduction of issue costs of approximately SEK 2.5 million, which, following repayment of bridge loans and accrued interest of up to approximately SEK 4.6 million, are intended to be used for the following purposes in order of priority:

- Approximately 42 percent will be used to finance the ongoing Pulmostem phase Ib study.

- Approximately 20 percent will be used to finance the pre-clinical work with NK003.
- Approximately 16 percent will be used to finance research and development in the form of lab costs and animal studies.
- Approximately 22 percent will be used to finance general and administrative costs (G&A) and business development.

### **Terms and conditions of the Rights Issue**

The Board of Directors of the Company has resolved, subject to a subsequent approval at an extraordinary general meeting in the Company on 20 January 2023, to carry out the Rights Issue. The Rights Issue consists of up to 144,596,970 units, consisting of 144,596,970 newly issued shares and 144,596,970 warrants series TO 2. The Rights Issue may initially provide the Company with up to approximately SEK 36.1 million before issue costs. Upon full utilization of warrants series TO 2 at the maximum subscription price, Amniotics may receive additional proceeds of up to SEK 72.3 million.

Anyone who, on the record date 24 January 2023, is listed in the share register maintained by Euroclear Sweden AB, has preferential rights to subscribe for units in the Rights Issue in relation to previous holdings of shares. One (1) existing share in Amniotics entitles to one (1) unit right. One (1) unit right entitles to subscribe for nine (9) units. One (1) unit consists of one (1) share and one (1) warrant series TO 2. The subscription price in the Rights Issue has been set to SEK 0.25 per unit, which corresponds to SEK 0.25 per share.

If not all units are subscribed with the support of unit rights, the allocation of the remaining units within the framework of the Rights Issue's maximum amount shall take place: primarily to those who have subscribed for units with the support of unit rights (regardless of whether they were shareholders on the record date or not) and who have registered an interest in subscription of units without the support of unit rights and in the event that allocation to these cannot take place in full, allocation must be made pro rata in relation to the number of unit rights that each of those who have declared an interest in subscribing to units without the support of unit rights used for subscription of units; secondarily to others who subscribed for units in the Rights Issue without the support of unit rights and in the event that allocation to these cannot take place in full, allocation must be made pro rata in relation to the total number of units for which the subscriber has registered for subscription; and thirdly to those who have submitted guarantee commitments regarding the subscription of units, in proportion to such guarantee commitments. To the extent that allocation in any stage according to above cannot be done pro rata, allocation shall occur by drawing lots.

### **Terms and conditions for warrants series TO 2**

The warrants series TO 2, issued free-of-charge, entitles to subscription of one (1) share in the Company during the period 5 – 19 June 2023 at a subscription price corresponding to 70 percent of the volume-weighted average price of the Company's share during 10 trading days before 31 May 2023 (including 31 May 2023), but with a minimum price of SEK 0.055 per share (corresponding to the share's approximate quota value) and a maximum price of SEK 0.5 per share.

The warrants are intended to be admitted to trading on Nasdaq First North Growth Market after final registration of the Rights Issue with the Swedish Companies Registration Office.

### **Change in number of shares and share capital and dilution**

Through the Rights Issue, the number of shares may increase by a maximum of 144,596,970 shares, from 16,066,330 shares to 160,663,300 shares, and the share capital may increase by a maximum of SEK 7,821,125.594982, from SEK 869,013.954998 to SEK 8,690,139.549980. For existing shareholders not participating in the Rights Issue this will entail, upon full subscription, a dilution effect of approximately 90.0 percent of the shares and votes in the Company. If all warrants series TO 2 are exercised in full for subscription of new shares in the Company, the number of shares will increase with an additional 144,596,970 shares to 305,260,270 shares in total and the share capital will increase with an additional SEK 7,821,125.594982 to SEK 16,511,265.144962. This corresponds to an additional dilution effect from the warrants of up to approximately 47.4 percent. The total dilution effect in the event the Rights Issue and the warrants are subscribed or exercised, respectively, in full, amounts to approximately 94.7 percent.

### **Subscription and guarantee commitments**

Amniotics has received subscription commitments amounting to approximately SEK 8.8 million in total, corresponding to approximately 24.4 percent of the Rights Issue, from a number of the Company's major existing shareholders, including LSCS Invest AB, Christer Fåhraeus through Fårö Capital AB and the Company's CEO Marcus Larsson through Deflexum AB. The Company has also entered into agreements regarding guarantee commitments of approximately SEK 16.5 million in total, whereby the Rights Issue, as such, is secured up to approximately 70 percent. For the guarantee commitments, a guarantee fee of fifteen 15 percent of the guaranteed amount is payable in cash. No compensation is paid for the subscription commitments.

### **Preliminary timetable regarding the Rights Issue**

- 20 January 2023: Estimated date for publication of prospectus.
- 20 January 2023: Last day of trading in the Company's share with the right to participate in the Rights Issue.
- 23 January 2023: First day of trading in the Company's shares excluding the right to participate in the Rights Issue.
- 24 January 2023: Record date for the right to participate in the Rights Issue.
- 26 January 2023 – 6 February 2023: Trading in unit rights takes place on Nasdaq First North Growth Market.
- 26 January 2023 – 9 February 2023: Subscription period.
- 26 January 2023 until the Swedish Companies Registration Office has registered the Rights Issue: Trading in paid subscribed units (BTU).
- 13 February 2023: Estimated date for the announcement of outcome in the Rights Issue.

### **Extraordinary general meeting**

The Board of Directors' resolution on the Rights Issue is subject to subsequent approval at the extraordinary general meeting on 20 January 2023. The resolution on the Rights Issue requires and is conditional on the limits for share capital and the number of shares in the Articles of Association being changed in accordance with the Board of Directors' proposal to the extraordinary general meeting. Notice to the extraordinary general meeting will be published in a separate press release.

### **Lock-up undertakings**

In connection with the Rights Issue, all board members and senior executives with shareholdings in the Company have undertaken towards Vator Securities AB, with customary exceptions, not to sell or carry out other transactions with the same effect as a sale without, in each individual case, first having obtained a written approval from the Vator Securities AB. The decision to give such written consent is decided by the Vator Securities AB and an assessment is made in each individual case. Granted consent can depend on both individual and business reasons. The lock-up undertakings only apply to the shares that are held before the Rights Issue and the lock-up period lasts 180 days after the publication of the Rights Issue.

### **Prospectus**

Complete terms and conditions regarding the Rights Issue as well as information regarding the Company and information regarding the subscription commitments, guarantee commitments and lock-up undertakings will be presented in the Prospectus.

### **Repayment and renegotiated bridge loans**

In connection with the Rights Issue, Amniotics has renegotiated the outstanding loans taken out from Modelio and Fårö Capital in May 2022.

Fårö Capital will subscribe for its pro rata share in the Rights Issue by using approximately SEK 2.8 million to set off the corresponding part of Fårö Capital's outstanding loan. Fårö Capital has also provided a guarantee commitment of approximately SEK 1.9 million. Modelio has provided a guarantee commitment of SEK 5.4 million. To the extent the guarantees are used, the guaranteed amount will be set off against units as payment for the corresponding part of Fårö Capital's and Modelio's outstanding loans. To the extent that Fårö Capital and Modelio are not allocated the full number of units corresponding to their guarantee commitments, an amount equal to the difference between the guarantee commitments and the amount ultimately allocated to Fårö Capital and Modelio shall be refunded in cash. Further, an additional SEK 0.6 million and SEK 0.3 million will be repaid to Modelio and Fårö Capital, respectively, in cash at such time. Out of the proceeds from the Rights Issue, SEK 6.0 million will thus be repaid, through set-off or in cash, to Modelio and SEK 5.0 million to Fårö Capital. If the Rights Issue is subscribed in excess of the secured level and the Company, as such, receives additional cash, the net cash after costs and fees will be used to further amortize on Modelio's loan.

After the Rights Issue and completion of any set-off, Modelio's remaining loan will amount to a capital amount of up to SEK 4.0 million, whereas Fårö Capitals' loan will be paid in full. Remaining loans after the Rights Issue are extended until 30 September 2023. If the Company receives issue proceeds when exercising warrants series TO 2, the loans must, however, be repaid early when the Company has received such issue proceeds with an amount corresponding to the issue proceeds received (after deduction of costs). As compensation for the loan, a monthly interest of 1.5 percent and a set-up fee to Modelio of 5 percent will be paid on the parts of Modelio's loan that are outstanding after the Rights Issue.

### **Bringing forward of the publication of the interim report for the period 1 January – 31 December 2022**

Due to the Rights Issue, the Board of Directors of the Company has resolved to bring forward the publication of the interim report for the period 1 January – 31 December 2022 to 19 January 2023, instead of 24 February 2023 as previously communicated.

### **Advisors**

Vator Securities AB acts as financial advisor and issuer agent and Setterwalls Advokatbyrå AB acts as legal advisor to Amniotics in connection with the Rights Issue.

### **For more information, contact:**

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### **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.

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](mailto:certifiedadviser@redeye.se).  
Learn more at [www.amniotics.com](http://www.amniotics.com).

### **IMPORTANT INFORMATION**

The information in this press release does not contain or constitute an offer to acquire, subscribe or otherwise trade in shares, warrants or other securities in Amniotics. No action has been taken and measures will not be taken to permit a public offering in any jurisdictions other than Sweden. Any invitation to the persons concerned to subscribe for units in Amniotics will only be made through the Prospectus that Amniotics estimates to publish on 20 January 2023 on Amniotics's website, [www.amniotics.com](http://www.amniotics.com). The upcoming approval of the Prospectus by the Swedish Financial Supervisory Authority shall not be regarded as an approval of the shares, warrants or any other securities. This release is however not a prospectus in accordance with the definition in the Prospectus Regulation (EU) 2017/1129 ("**Prospectus Regulation**") and this announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in shares, warrants or other securities in Amniotics. In order for investors to fully understand the potential risks and benefits associated with a decision to participate in the Rights Issue, any investment decision should only be made based on the information in the Prospectus. Thus, investors are encouraged to review the Prospectus in its entirety. In accordance with article 2 k of the Prospectus Regulation this press release constitutes an **advertisement**.

The information in this press release may not be released, distributed or published, directly or indirectly, in or into the United States of America, Australia, Belarus, Canada, Hong Kong, Japan, New Zealand, Russia, Singapore, South Africa, South Korea, Switzerland or any other jurisdiction in which such action would be unlawful or would require registration or any other measures than those required by Swedish law. Actions in violation of these restrictions may constitute a violation of applicable securities laws. No shares, warrants or other securities in Amniotics have been registered, and no shares, warrants or other securities will be registered, under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States of America and no shares or other securities may be offered, sold or otherwise transferred, directly or indirectly, in or into the United States of America, except under an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States of America.

Within the European Economic Area ("**EEA**"), no public offering of shares, warrants or other securities ("**Securities**") is made in other countries than Sweden. In other member states of the EU, such an offering of Securities may only be made in accordance with the Prospectus Regulation. In other member states of the EEA which have implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption in the Prospectus Regulation and/or in accordance with an applicable exemption under a relevant national implementation measure. In other member states of the EEA which have not implemented the Prospectus Regulation in its national legislation, any offer of Securities may only be made in accordance with an applicable exemption under national law.



In the United Kingdom, this document 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**”); (ii) high net worth entities etc. falling within Article 49 (2)(a) to (d) of the Order; or (iii) such other persons to whom such investment or investment activity may lawfully be made available under 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.

This press release may contain forward-looking statements which reflect the Company’s current view on future events and financial and operational development. Words such as “*intend*”, “*expect*”, “*anticipate*”, “*may*”, “*believe*”, “*plan*”, “*estimate*” and other expressions which imply indications or predictions of future development or trends, and which are not based on historical facts, are intended to identify forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could differ materially from the forward-looking statements.

*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 20:05 CET.*

## **Attachments**

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Amniotics resolves on a rights issue of units of approximately SEK 36.1 million secured to approximately 70 percent and brings forward the publication of the interim report for the fourth quarter of 2022