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Guard Therapeutics intends to resolve on a rights issue of approximately SEK 150 million

The Board of Directors of Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company"), (Nasdaq First North Growth Market: GUARD) today announces its intention to resolve on a rights issue of shares of approximately SEK 150.0 million before deduction of issue costs (the "Rights Issue"). An Extraordinary General Meeting (the "EGM") is planned to be held on 6 March 2025 to resolve on an issue authorization to the Board of Directors (the "Issue Authorization") which will form the basis for the Board of Directors' resolution on the Rights Issue. The completion of the Rights Issue is conditional upon a positive outcome from the first planned safety review, conducted by an independent Data Safety Monitoring Committee (DSMC), of the ongoing phase 2b POINTER study. The DSMC's recommendation on the study's continuation is expected to be available by early March 2025. The notice of the EGM will be published through a separate press release. The Company has received subscription undertakings and subscription intentions from existing shareholders, including members of the Board of Directors and management, for a total of approximately SEK 66.5 million, corresponding to approximately 44.3 percent of the Rights Issue. In addition, the Company has received guarantee commitments from external investors for approximately SEK 53.6 million, corresponding to approximately 35.7 percent of the Rights Issue. Consequently, the Rights Issue is covered by subscription commitments, subscription intentions and guarantee commitments for approximately SEK 120.1 million, corresponding to approximately 80.0 percent of the Rights Issue (the "Covered Amount"). The purpose of the Rights Issue is primarily to finance the completion of the POINTER study, conduct phase 3 preparations, and extend the Company's cash runway to enable End-of-Phase 2 ("EoP2") regulatory meetings and continued business development activities.

Guard Therapeutics' CEO Tobias Agervald comments:
"We are in a very exciting and intense phase of the company's history, with recruitment for our clinical phase 2b POINTER study progressing according to plan. In parallel, we continue to plan for a pivotal phase 3 study and prepare for upcoming regulatory meetings. To enable this and at the same time create additional value in our clinical project, we are now carrying out this financing, which will secure our upcoming key activities".

Summary

- The Board of Directors of Guard Therapeutics announces its intention to resolve on the Rights Issue.
- An EGM is planned to be held on 6 March 2025. The EGM intends to resolve on the Issue Authorization, which will form the basis for the Board of Directors' resolution on the Rights Issue. Existing shareholders, who together hold approximately 45.1 percent of the total number of shares and votes in the Company, have undertaken or expressed their intention to vote in favour of the Issue Authorization. The notice of the EGM will be published through a separate press release.
- The completion of the Rights Issue is conditional upon (i) the EGM resolving on the Issue Authorization and (ii) that the outcome of the first planned DSMC review of safety data from the POINTER study is announced before 31 March 2025 and is positive (meaning that no serious safety concerns are identified and that patient enrolment may continue). The outcome is expected to be available by early March 2025.
- Provided that the conditions for the resolution on the Rights Issue are fulfilled and that the Board of Directors thereafter resolves to carry out the Rights Issue, the Company will receive approximately SEK 150.0 million upon full subscription in the Rights Issue and before deduction of costs related to the Rights Issue.
- The Board of Directors' resolution on the Rights Issue together with a timetable for the Rights Issue will be announced after the conditions for the Rights Issue, as described above, have been met.
- Anyone who is registered in the share register as a shareholder in Guard Therapeutics on the record date will receive one (1) subscription right for each share held in the Company. The subscription rights entitle the holder to subscribe for new shares with preferential rights, whereby five (5) subscription rights entitle the holder to subscribe for four (4) shares. In addition, investors are offered the opportunity to subscribe for shares without subscription rights.
- The Rights Issue entails an issue of a maximum of 9,835,900 shares.
- The subscription price is SEK 15.25 per share, corresponding to a discount of approximately 35.0 percent, compared to the theoretical ex-rights price (TERP) based on the closing price of Guard Therapeutics' share on Nasdaq First North Growth Market on 14 February 2025, the last trading day before announcement of the Rights Issue.
- The Rights Issue is covered to approximately 9.0 percent by subscription intentions, to approximately 35.3 percent by subscription commitments and to approximately 35.7 percent by guarantee commitments, corresponding to a total of approximately 80.0 percent of the Rights Issue.
- No prospectus will be prepared in connection with the Rights Issue. The Company will prepare and publish an information document (the "**Information Document**") in accordance with Article 1.4 db of Regulation (EU) 2017/1129 of the European Parliament and of Counsil of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the "**Prospectus Regulation**").

Background and motive

Guard Therapeutics is a Swedish clinical-stage biotechnology company that identifies and develops new therapies for diseases with a large unmet medical need, focusing on different forms of kidney disease. The Company's candidate drugs are based on the endogenous protein alpha-1-microglobulin. The lead clinical candidate RMC-035 is being developed as a kidney protective treatment in connection with open-heart surgery and kidney transplantation. Based on available preclinical and clinical results, there is also an option to expand the clinical program to sepsis-related kidney injury.

RMC-035 has obtained an Investigational New Drug (IND) clearance by the U.S. Food and Drug Administration (FDA) for the treatment of acute kidney injury (AKI) in open-heart surgery, which means that RMC-035 may be administered to patients in clinical studies in the United States. RMC-035 has also been granted Fast Track Designation by the FDA for reducing the risk of an irreversible loss of kidney function, initiation of kidney replacement therapy, or death following open-chest cardiac surgery in patients who are at increased risk for AKI.

Top-line results from the double-blind, placebo-controlled phase 2a AKITA study including 177 patients were communicated in the autumn of 2023. These demonstrated a statistically significant and clinically relevant favourable effect of RMC-035 on long-term kidney outcomes, including the regulatory endpoint MAKE90, in patients undergoing open-heart surgery. In January 2024, the Company received positive feedback from the FDA regarding the continued development plan for RMC-035 based on the AKITA results.

The randomized, double-blinded, placebo-controlled phase 2b POINTER study is now ongoing, with the main objective of establishing the optimal dosing regimen and exact target patient population for a subsequent single pivotal phase 3 study. An independent DSMC will conduct interim safety reviews based on data from one-third and two-thirds of the planned number of patients, respectively. The results of these analyses will be blinded to the Company, however, overarching conclusions and recommendations regarding the trial's continuation will be communicated. Patient recruitment began in late August 2024 and is expected to last for approximately one year. The overall study results are expected to be available about six months after completion of patient recruitment.

A positive readout from the phase 2b POINTER study will further reinforce RMC-035's position as a unique therapeutic candidate for acute kidney protection and provide valuable insights for the design of the phase 3 study, while further increasing attractiveness of the program for potential pharma partners.

Use of proceeds

Upon full subscription in the Rights Issue, the Company will receive approximately SEK 150.0 million before deduction of costs related to the Rights Issue. The net proceeds from the Rights Issue, provided that the Rights Issue is fully subscribed, will primarily finance the following activities (in order of priority):

i. Complete the ongoing phase 2b POINTER study, with the aim to further establish the safety, efficacy and optimal dose for RMC-035 in patients undergoing open-heart surgery;

ii. Phase 3 preparations including provision of an overarching study outline and additional CMC development work; and
iii. Extension of the Company's cash runway to enable EoP2 regulatory meetings and continued business development activities.

If the Rights Issue is only partially subscribed, the proceeds will be used to complete the phase 2b POINTER study and the proceeds for (ii) and (iii) above will be reduced proportionately.

The Company estimates that the working capital, in the event that the Rights Issue is subscribed for at the Covered Amount, will be expected to last until mid-2026.

Terms of the Rights Issue
The Board of Directors' resolution regarding the Rights Issue is conditional upon (i) the EGM resolving on the Issue Authorization and (ii) that the outcome of the first planned DSMC review of safety data from the POINTER study is announced before 31 March 2025 and is positive (meaning that no serious safety concerns are identified and that patient enrolment may continue). The DSMC's recommendation on the study's continuation is expected to be available by early March 2025. The Board of Directors' resolution on the Rights Issue together with a timetable for the Rights Issue will be announced after the conditions for the Board of Directors' resolution have been met.

Anyone who is registered in the share register as a shareholder in Guard Therapeutics on the record date will receive one (1) subscription right for each share held in the Company. The subscription rights entitle the holder to subscribe for new shares with preferential rights, whereby five (5) subscription rights entitle the holder to subscribe for four (4) shares. In addition, investors are offered the possibility to subscribe for shares without subscription rights.

The Rights Issue entails an issue of a maximum of 9,835,900 shares. The subscription price is SEK 15.25 per share, corresponding to a discount of approximately 35.0 percent to the theoretical ex-rights price (TERP), based on the closing price of Guard Therapeutics' share on Nasdaq First North Growth Market on 14 February 2025, the last trading day before announcement of the Rights Issue.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares is intended to be made within the highest amount of the Rights Issue: firstly, to those who have subscribed for shares by exercise of subscription rights (regardless of whether they were shareholders on the record date or not) and who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of subscription rights that each and every one of those, who have applied for subscription of shares without exercise of subscription rights, have exercised for subscription of shares; secondly, to those who have applied for subscription of shares without exercise of subscription rights and if allotment to these cannot be made in full, allotment shall be made pro rata in relation to the number of shares the subscriber in total has applied for subscription of shares; and thirdly, allocation of any remaining shares up to the Covered Amount shall be made to those who have entered into guarantee commitments, pro rata in relation to such guarantee commitments. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

Subscription commitments, subscription intentions and guarantee commitments
Existing shareholders Jan Ståhlberg, Stiftelsen Industrifonden, Swedbank Robur Fonder and Strand Kapitalförvaltning have undertaken, or expressed their intention, to subscribe for shares in the Rights Issue, amounting to approximately SEK 65.9 million, corresponding to approximately 43.9 percent of the Rights Issue. In addition, members of the Company's Board of Directors and management, including CEO Tobias Agervald and Chairman of the Board Johan Bygge, have expressed their intention to subscribe for shares amounting to a total amount of approximately SEK 0.6 million, corresponding to approximately 0.4 percent of the Rights Issue. Members of the Company's Board of Directors and management are prevented, under applicable rules on market abuse, from entering into undertakings to subscribe for shares in the Rights Issue, as a result of the Company being in a so-called closed period until the publication of the year-end 2024 report and are expected to enter into undertakings after the closed period has ended. No compensation will be paid for subscription commitments or subscription intentions made.

In addition, a number of external investors have undertaken to guarantee approximately 35.7 percent of the Rights Issue, corresponding to approximately SEK 53.6 million, at a guarantee commission of ten (10) per cent of the guaranteed amount in cash or ten (10) percent of the guaranteed amount in shares, where the subscription price for such shares will be equivalent to the subscription price per share in the Rights Issue. To facilitate a compensation issue of shares to guarantors who choose to receive their compensation in shares, the Board of Directors intend to propose that the EGM, planned to be held on 6 March 2025 to resolve on the Issue Authorization, also resolves on the authorization for such a compensation issue.

Thus, the Rights Issue is covered by subscription commitments, subscription intentions and guarantee commitments, amounting to approximately SEK 120.1 million, corresponding to approximately 80.0 percent of the Rights Issue. Neither the subscription commitments, the subscription intentions, nor the guarantee commitments are secured by bank guarantees, blocked funds, pledges or similar arrangements.

Share capital and number of shares
Provided that the Rights Issue is fully subscribed, the number of shares in Guard Therapeutics will increase by 9,835,900 shares, from 12,294,878 shares to 22,130,778 shares. The share capital will increase by SEK 9,835,900, from SEK 12,294,878 to SEK 22,130,778. Shareholders who choose not to participate in the Rights Issue will through the Rights Issue have their ownership diluted by up to 44.4 percent (based on the total maximum number of outstanding shares in the Company after the Rights Issue). These shareholders have the opportunity to compensate themselves financially for this dilution effect by selling the received subscription rights.

If all investors who have entered into guarantee commitments elect to receive their guarantee commission in shares, the number of shares will increase by 351,475 shares and the share capital will increase by SEK 351,475. Shareholders who choose not to participate in the Rights Issue will have their ownership diluted by an additional 1.6 percent, provided that the Rights Issue is fully subscribed.

Information document
No prospectus will be prepared in connection with the Rights Issue. The Company will prepare and publish the Information Document in the form provided for in Annex IX of the Prospectus Regulation. The Information Document will be made available on the Company's website before the subscription period in the Rights Issue begins.

Lock-up undertakings
Prior to the announcement of the Rights Issue, members of the Board of Directors and senior executives with shareholdings in the Company have entered into lock-up undertakings which, among other things, entail that, with certain customary exceptions, they have undertaken not to divest shares in the Company within 180 days after the announcement of the final outcome of the Rights Issue.

Furthermore, the Company has undertaken towards Pareto Securities AB, subject to customary exceptions, not to issue additional shares or other share-related instruments for a period of 180 days after the announcement of the final outcome of the Rights Issue.

EGM
An EGM is planned to be held on 6 March 2025 to resolve on the Issue Authorization, which will form the basis for the Board of Directors' resolution on the Rights Issue.

Existing shareholders. who together hold approximately 45.1 percent of the total number of shares and votes in the Company, have undertaken or expressed their intention to vote in favour of the Issue Authorization at the EGM. The notice of the EGM will be announced through a separate press release.

Advisors
Pareto Securities has been appointed as Sole Manager and Bookrunner connection with the Rights Issue. Setterwalls Advokatbyrå AB is acting as legal advisor to the Company in connection with the Rights Issue. Baker & McKenzie Advokatbyrå KB is acting as legal advisor to the Sole Manager and Bookrunner in connection with the Rights Issue.

For further information, please contact:
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About Guard Therapeutics
Guard Therapeutics is a Swedish clinical-stage biotechnology company that identifies and develops new therapies for diseases with a large unmet medical need, focusing on different forms of kidney disease. The company's candidate drugs are based on the endogenous protein alpha-1-microglobulin. Guard Therapeutics is listed on Nasdaq First North Growth Market Stockholm.

Certified Adviser is Svensk Kapitalmarknadsgranskning AB, www.skmg.se.

Important information

The release, announcement or distribution of this press release may, in certain jurisdictions, be subject to legal restrictions. The recipients of this press release in jurisdictions where this press release has been published or distributed shall inform themselves of and follow such legal restrictions. The recipient of this press release is responsible for using this press release, and the information contained herein, in accordance with applicable rules in each jurisdiction. This press release does not constitute an offer, or a solicitation of any offer, to buy or subscribe for any securities in Guard Therapeutics in any jurisdiction, neither from Guard Therapeutics nor from someone else.

This press release is not a prospectus for the purposes of the Prospectus Regulation and has not been approved by any regulatory authority in any jurisdiction. No prospectus will be prepared in connection with the Rights Issue. The Company will prepare and publish an Information Document in the form provided for in Annex IX of the Prospectus Regulation before the subscription period in the Rights Issue begins.

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 Company. The information contained in this announcement relating to the Rights Issue is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. Pareto Securities are acting for Guard Therapeutics in connection with the Rights Issue and no one else and will not be responsible to anyone other than Guard Therapeutics for providing the protections afforded to its clients nor for giving advice in relation to the Rights Issue or any other matter referred to herein. Pareto Securities are not liable to anyone else for providing the protection provided to their customers or for providing advice in connection with the Rights Issue or anything else mentioned herein.

This press release does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There is no intention to register any securities referred to herein in the United States or to make a public Rights Issue of the securities in the United States. The information in this press release may not be announced, published, copied, reproduced or distributed, directly or indirectly, in whole or in part, within or into the USA, Australia, Belarus, Canada, Hong Kong, Japan, New Zeeland, Russia, Singapore, South Africa, South Korea, Switzerland or in any other jurisdiction where such announcement, publication or distribution of the information would not comply with applicable laws and regulations or where such actions are subject to legal restrictions or would require additional registration or other measures than what is required under Swedish law. Actions taken in violation of this instruction may constitute a crime against applicable securities laws and regulations.

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" 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
This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's and the group's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company and the group operates. Forward-looking statements are statements that are not historical facts and may be identified by 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. Although 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 as 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 and 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 that are expressly or implicitly contained herein speak only as of 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 required by law or Nasdaq First North Growth Market's rule book for issuers.

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 offered shares 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 "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company 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 Rights Issue.

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

The English text is an unofficial translation of the original Swedish text. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.

Foreign direct investments
As Guard Therapeutics conducts activities worthy of protection in accordance with the Act (2023: 560) on the Review of Foreign Direct Investments, certain investments in the Rights Issue may require examination by the Inspectorate for Strategic Products. The Company will publish more information about this on the Company's website, www.guardtherapeutics.com, no later than in connection with the publication of the Information Document.

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 2025-02-17 08:00 CET.

Attachments

Guard Therapeutics intends to resolve on a rights issue of approximately SEK 150 million