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Guard Therapeutics carries out, subject to approval from the Extraordinary General Meeting, a directed new issue of approximately SEK 54 million and a rights issue of approximately SEK 128 million

The Board of Directors of Guard Therapeutics International AB (publ) ("Guard Therapeutics" or the "Company") has, in accordance with the Company's press release earlier today, resolved on a directed share issue of 38 796 641 new shares at a subscription price of SEK 1.4 per share (the "Directed New Issue"), corresponding to a discount of approximately 6.2 percent in relation to today's closing price. Through the Directed New Issue, the Company receives issue proceeds of approximately SEK 54 million before transaction costs. In addition, the Company has resolved on a new issue of shares of a maximum of SEK 128 million with preferential rights for Guard Therapeutics' shareholders (the "Rights Issue", and together with the Directed New Issue the "Issues"). The Rights Issue is 100 percent covered by declarations of intent to subscribe from the Company's largest shareholders. In the light of the Rights Issue, the Board of Directors of Guard Therapeutics has resolved to bring forward the announcement of the interim report for the third quarter of 2021 to 5 November 2021. The Issues are subject to approval from the Extraordinary General Meeting on 8 November 2021. Notice to attend the Extraordinary General Meeting will be published through a separate press release.

The Issues in short

- The subscription price in the Directed New Issue amounts to SEK 1.4 and has been determined through an accelerated bookbuilding process performed by Danske Bank A/S, Danmark, Sverige Filial ("**Danske Bank**"). Through the Directed New Issue, the Company receives approximately SEK 54 million before transaction costs.
- The Directed New Issue was subscribed for by several new Swedish and international investors, as well as a number of existing owners, such as Rutger Arnhult via M2 Asset Management AB, and Jan Ståhlberg.
- The Rights Issue comprises up to 91,285,230 new shares and upon full subscription, the Company may receive a maximum of approximately SEK 128 million before transaction costs. The subscription price in the Rights Issue corresponds to the subscription price in the Directed New Issue, i.e. SEK 1.4 per share.

- The Company's shareholders have preferential rights to subscribe for new shares in the Rights Issue, whereby each existing share will entitle to 1 subscription right and 7 subscription rights entitle to subscription of 3 new shares. Shares subscribed for in the Directed New Issue do not confer preferential rights to subscribe for shares in the Rights Issue.
- The record date for participation in the Rights Issue is 11 November 2021. The last day of trading in Guard Therapeutics' share with the right to participate in the Rights Issue is 9 November 2021.
- The subscription period for the Rights Issue is 15 – 29 November 2021.
- Trading in subscription rights is expected to take place on Nasdaq First North Growth Market during the period 15 – 24 November 2021.
- The Rights Issue is 100 percent covered by declarations of intent to subscribe from the Company's largest shareholders.
- The Issues are subject to approval at the Extraordinary General Meeting 8 November 2021. Notice to the Extraordinary General Meeting will be announced in a separate press release.
- In connection with the Issues, the Company has agreed to a lock-up undertaking on future share issuance for a period of 180 days from the announcement of the Directed New Issue, subject to customary exceptions. In addition, the Board of Directors, as well as the CEO and CFO, have undertaken not to sell any shares in Guard Therapeutics during the same period, subject to customary exceptions.

The Directed New Issue

On 20 October 2021, the Board of Directors of Guard Therapeutics resolved to carry out the Directed New Issue, subject to approval from the Extraordinary General Meeting on 8 November 2021. The subscription price in the Directed New Issue amounts to SEK 1.4 and has been determined through an accelerated bookbuilding process carried out by Danske Bank. The Directed New Issue entails that the total number of shares and votes in Guard Therapeutics increases by 38,796,641, from 212,998,874 to 251,795,515, and that the share capital increases by SEK 775,932.82, from SEK 4,259,977.48 to SEK 5,035,910.30, which entails a dilution effect for existing shareholders of approximately 15.4 percent before the Rights Issues is carried out.

The new shares issued in conjunction with the Directed New Issue will be registered with Swedish Companies Registration Office after the record date of the Rights Issue and thus do not entitle to participation in the Rights Issue.

The right to subscribe for the new shares shall, with deviation from the shareholders' preferential rights, accrue to those investors who have registered an interest in the bookbuilding process. The investors in the Directed New Issue include inter alia Rutger Arnhult, via M2 Asset Management AB and Jan Ståhlberg.

The reason for deviating from the shareholder's preferential rights in the Directed New Issue are to, in a time- and cost-effective manner, raise necessary capital in order to be able to carry out a larger upcoming phase 2 study of the investigational drug ROSgard, and to further diversify the Company's shareholder base. The Board of Directors' overall assessment is thus that the reasons for carrying out the Directed New Issue with deviation from the shareholders' preferential rights overweighs the principal rule that new share issues shall be carried out with preferential rights for

existing shareholders and that a new share issue with deviation from the shareholders' preferential rights, in combination with the Rights Issue, is most favourable for Guard Therapeutics and its shareholders. Given that the subscription price in the Directed New Issue will be determined through the Bookbuilding, it is the Board of Directors' assessment that the subscription price will be determined in accordance with market conditions.

The Rights Issue

On 20 October 2021, the Board of Directors of Guard Therapeutics resolved to carry out the Rights Issue, subject to approval from the Extraordinary General Meeting on 8 November 2021. Through the Rights Issue, up to 91,285,230 new shares will be issued, entailing an increase of the share capital with up to SEK 1,825,704.60. After the Issues have been carried out, the total number of shares in Guard Therapeutics will amount to up to 343,080,745, and the share capital will amount to up to SEK 6,861,614.90. The subscription price in the Rights Issue is the same as in the Directed New Issue, i.e. SEK 1.4 per share. Upon full subscription, the Company may receive a maximum of SEK 128 million before transaction costs.

The record date for participation in the Rights Issue is 11 November 2021 and the subscription period for the Rights Issue is between 15 – 29 November 2021. The last day of trading in Guard Therapeutics' share with the right to participate in the Rights Issue is 9 November 2021.

Shareholders who are registered shareholders of the Company on the record date, 11 November 2021, have preferential right to subscribe for new shares in proportion to the number of shares held on the record date. Shareholders will receive 1 subscription right for each share held. 7 subscription rights entitle to subscription of 3 new shares. Furthermore, investors are offered the opportunity to subscribe for shares without subscription rights.

If not all shares are subscribed for by exercise of subscription rights, allotment of the remaining shares shall 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; and 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. To the extent that allotment in any section above cannot be done pro rata, allotment shall be determined by drawing of lots.

The Rights Issue entails a dilution effect of approximately up to 26.6 percent in relation to the number of shares in the Company after the Directed New Issue and the Rights Issue. The total dilution effect of the Issues amounts to approximately up to a maximum of 37.9 percent based on the total number of shares and votes in Guard Therapeutics after the Issues.

Rutger Arnhult, via M2 Asset Management AB, Jan Ståhlberg and a number of other shareholders that together represent approximately 21 percent of the shares in the Company have expressed their intention to participate pro-rata in the Rights Issue. In addition, Rutger Arnhult via M2 Asset Management AB, and Jan Ståhlberg have expressed their intention to together subscribe for additional shares in the Rights Issue to the extent necessary for it to be fully covered.

Use of proceeds from the Issues

The issue proceeds from the Issues, which upon full subscription in the Rights Issue may amount to a total of approximately SEK 182 million before transaction costs, are intended to be used for:

- Direct clinical study costs linked to the planned clinical phase 2 study in cardiac surgery and expansion of the clinical program of ROSgard to kidney transplantation, approximately 70%.
- Additional CMC- and preclinical development, approximately 15%.
- Other operating activities, approximately 15%.

Transaction costs related to the Issues

Transaction costs related to the Issues are estimated to amount to a total of approximately SEK 4 million.

Lock-up undertakings

In connection with the Issues, the Company has agreed to a lock-up undertaking on future share issuance for a period of 180 days from the announcement of the Directed New Issue, subject to customary exceptions. In addition, the Board of Directors, as well as the CEO and CFO, have undertaken not to sell any shares in Guard Therapeutics during the same period, subject to customary exceptions.

Extraordinary General Meeting

The Board of Directors' resolutions on the Issues are subject to approval from the Extraordinary General Meeting on 8 November 2021. Notice to attend the Extraordinary General Meeting will be published through a separate press release.

Prospectus

Complete terms and conditions for the Rights Issue and other information of the Company will be stated in the EU Growth Prospectus which is expected to be published by the Company around 10 November 2021.

Bringing forward of the interim report for the third quarter of 2021

Due to the Rights Issue, the Board of Directors of Guard Therapeutics has resolved to bring forward the publication of the interim report for the third quarter of 2021 to 5 November 2021 instead of 18 November 2021 as previously communicated.

Preliminary time plan for the Rights Issue

5 November
2021

Announcement of the interim report for the third quarter of 2021.

8 November 2021	Extraordinary General Meeting.
9 November 2021	Last day of trading in the share including right to participate in the Rights Issue.
10 November 2021	First day of trading in the share excluding right to participate in the Rights Issue.
10 November 2021	Estimated day for publication of prospectus.
11 November 2021	Record date for participation in the Rights Issue, i.e. shareholders who are registered in the share register as of this day will receive subscription rights for participation in the Rights Issue.
15 November – 24 November 2021	Trading in subscription rights on Nasdaq First North Growth Market.
15 November – 29 November 2021	Subscription period.
3 December 2021	Announcement of the outcome of the Rights Issue.

Advisers

In connection with the Issues, the Company has retained Danske Bank as Sole Global Coordinator and Bookrunner and Setterwalls Advokatbyrå AB as legal adviser.

For further information, please contact:

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About Guard Therapeutics

Guard Therapeutics is a pharmaceutical company that identifies and develops new therapies for diseases with a great medical need for more effective treatments. The company's clinical investigational drug ROSgard is being developed as a protective treatment against acute kidney injury with an initial focus on patients undergoing heart surgery. Guard Therapeutics is listed on Nasdaq First North Growth Market Stockholm.

Certified Adviser is Svensk Kapitalmarknadsgranskning AB, tel. +46 11 32 30 732, ca@skmg.se.

This is information that Guard Therapeutics is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 20 October 2021, 23:50 CEST.

IMPORTANT INFORMATION

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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 offering 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 Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, the United States or in any other

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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 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 the new shares. Any investment decision to acquire or subscribe for shares in connection with the Issues must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Danske Bank (the "**Manager**"). The Manager is acting for the Company in connection with the Issues and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Issues or any other matter referred to herein.

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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 future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by 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 not 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 shares in the Company 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 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 Directed New Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Manager will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in 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.

Attachments

[Guard Therapeutics carries out, subject to approval from the Extraordinary General Meeting, a directed new issue of approximately SEK 54 million and a rights issue of approximately SEK 128 million](#)