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Modus Therapeutics carries out a fully secured rights issue of units of SEK 28.3 million

The Board of Directors of Modus Therapeutics Holding AB ("Modus" or the "Company") has today decided to carry out a new issue of units consisting of shares and warrants initially amounting to approximately SEK 28.3 million (the "Rights Issue") with preferential rights for the Company's existing shareholders. The Rights Issue is fully covered by subscription undertakings and guarantee commitments. The main purpose of the Rights Issue is to finance the continued clinical trials with sevuparin.

One existing share in the Company on the record date entitles to one unit right and four unit rights entitle to subscribe for one unit consisting of nine shares, three warrants of series TO 2026 and four warrants of series TO 2030 ("Unit"). The subscription price has been set at SEK 3.15 per Unit, corresponding to SEK 0.35 per new share. The warrants are issued free of charge.

The Board of Directors' decision regarding the Rights Issue is subject to approval by an extraordinary general meeting, which is intended to be held on 29 July 2025. Notice of the extraordinary general meeting will be published in a separate press release. Due to the Rights Issue, the Company has decided to bring forward the publication of the interim report for the second quarter of 2025 to 7 August 2025.

The Rights Issue in summary

- The Rights Issue concerns a total of 8,984,724 Units and will initially, upon full subscription, provide Modus with approximately SEK 28.3 million, before issue costs. The Company's existing shareholders have preferential rights to subscribe for Units in the Rights Issue in proportion to the number of shares held on the record date.
- One (1) existing share in the Company on the record date entitles to one (1) unit right. Four (4) unit rights entitle the holder to subscribe for one (1) Unit consisting of nine (9) shares, three (3) warrants of series TO 2026 and four (4) warrants of series TO 2030.
- The warrants are intended to be admitted to trading on Nasdaq First North Growth Market.
- The subscription price has been set at SEK 3.15 per Unit, corresponding to SEK 0.35 per new share. The warrants are issued free of charge.

- One (1) warrant of series TO 2026 entitles the holder to subscribe for one (1) new share in the Company during the period 13 – 24 April 2026, at a subscription price of SEK 0.35. Assuming a fully subscribed Rights Issue and full exercise of the warrants of series TO 2026, the Company will thus receive additional funds of approximately SEK 9.4 million.
- One (1) warrant of series TO 2030 entitles the holder to subscribe for one (1) new share in the Company, with an annual exercise period of the last two weeks of September from 2026 to 2030, at a subscription price of SEK 0.40. Assuming a fully subscribed Rights Issue and full exercise of the warrants of series TO 2030, the Company will thus receive additional proceeds of approximately SEK 14.4 million.
- The proceeds from the Rights Issue will strengthen the Company's financial position and finance the continued clinical development of the Company's drug candidate sevuparin, where the second part of a phase II study in chronic kidney disease is planned to be initiated during the second half of 2025.
- In connection with the Rights Issue, a number of the Company's major shareholders, including Karolinska Development, Hans Wigzell and Anders Bladh, have entered into free subscription commitments of SEK 17.7 million, corresponding to 62.7 percent of the Rights Issue.
- The Company has also entered into agreements on guarantee undertakings with a number of external parties totalling SEK 10.6 million, which corresponds to 37.3 percent of the Rights Issue.
- In total, the Rights Issue is fully covered by subscription commitments and guarantee undertakings. Neither subscription commitments nor guarantee undertakings are secured by bank guarantees, blocked funds, pledged assets or similar.
- The record date for participation in the Rights Issue will be August 8, 2025. The subscription period in the Rights Issue is expected to run from August 12 to August 26, 2025.
- The Company intends to publish a prospectus regarding the Rights Issue on or about August 11, 2025.
- The Board of Directors' decision regarding the Rights Issue is subject to approval by an extraordinary general meeting, which is intended to be held on July 29, 2025. Notice of the extraordinary general meeting will be published in a separate press release.
- Due to the Rights Issue, the Company has decided to bring forward the publication of the interim report for the second quarter of 2025 to August 7, 2025.

Background and Rationale

Modus Therapeutics is developing innovative treatments for serious diseases with high unmet medical needs. The company's lead candidate, sevuparin, targets key therapeutic areas such as chronic kidney disease (CKD) with anemia, severe malaria and sepsis.

A Phase II study of sevuparin in CKD-with anemia is currently underway. The first part of the study is nearing completion, and the data will form the basis for dose selection in the second part, which is expected to begin patient recruitment in Q4 2025.

In parallel, a clinical program with sevuparin in severe malaria is conducted in collaboration with Imperial College London. During the first half of 2025, patient recruitment was completed for a Phase I study in paediatric patients from Kenya and Zambia. The malaria program is funded by Wellcome. Given positive results, the Company believes there is strong potential to continue development in malaria with external funding.

Use of Proceeds

The rights issue will provide Modus with funding for the continued clinical development of the Phase II study in CKD and related activities. The study is expected to conclude in the second half of 2026, and proceeds from the rights issue, including potential proceeds from the TO 2026 series warrants, are expected to finance operations through the end of 2026.

Proceeds from the offering will primarily be used to finance clinical activities, including the ongoing Phase II study. In connection with the issue, a bridge loan of approximately SEK 5 million from Modus' main shareholder, Karolinska Development, will be converted into equity.

Subscription commitments and guarantee undertakings

A number of the Company's major shareholders, including Karolinska Development, Hans Wigzell and Anders Bladh, have entered into free subscription commitments of SEK 17.7 million, corresponding to 62.7 percent of the Rights Issue. The Company has also entered into agreements on guarantee undertakings with a number of external parties totalling SEK 10.6 million, which corresponds to 37.3 percent of the Rights Issue. In total, the Rights Issue is fully covered by subscription commitments and guarantee undertakings.

A remuneration of 14 percent in cash or 16 percent if the guarantor chooses to receive remuneration in Units, is paid for the guarantee undertakings. Neither subscription commitments nor guarantee undertakings are secured by bank guarantees, blocked funds, pledged assets or the like. Further information about subscription commitments and guarantee undertakings will be published in the prospectus that will be published in connection with the Rights Issue.

Terms of the Rights Issue

The Rights Issue comprises a total of 8,984,724 Units. One (1) existing share in the Company on the record date entitles to one (1) unit right. Four (4) unit rights entitle to subscribe for one (1) Unit consisting of nine (9) shares, three (3) warrants of series TO 2026 and four (4) warrants of series TO 2030. In addition, investors have the opportunity to subscribe for Units without unit rights.

The subscription price has been set at SEK 3.15 per Unit, corresponding to SEK 0.35 per share. The warrants are issued free of charge. The warrants are intended to be admitted to trading on Nasdaq First North Growth Market.

One (1) warrant of series TO 2026 entitles the holder to subscribe for one (1) new share in the Company during the period 13 – 24 April 2026, at a subscription price of SEK 0.35. Assuming a fully subscribed Rights Issue and full exercise of the warrants of series TO 2026, the Company will thus receive additional cash of approximately SEK 9.4 million.

One (1) warrant of series TO 2030 entitles the holder to subscribe for one (1) new share in the Company, with an annual exercise period of the last two weeks in September from 2026 to 2030, at a subscription price of SEK 0.40. Assuming a fully subscribed Rights Issue and full exercise of the warrants of series TO 2030, the Company will thus receive additional cash of approximately SEK 14.4 million.

In total, a maximum of 80,862,516 new shares will be issued through the Rights Issue, corresponding to an amount of approximately SEK 28.3 million before transaction costs. Furthermore, a maximum of 26,954,172 warrants of series TO 2026 will be issued through the Rights Issue and a maximum of 35,938,896 warrants of series TO 2030.

The record date for participation in the Rights Issue will be August 8, 2025 and the subscription period for the Rights Issue is expected to run between August 12 and 26, 2025. The last day for trading in Modus shares including the right to participate in the Rights Issue will be August 6, 2025.

Subscription in the Rights Issue may also be made without unit rights. In the event that not all Units are subscribed for with the support of unit rights, the Board of Directors shall, within the limit of the maximum amount of the Rights Issue, decide on the allocation of Units subscribed for without the support of unit rights. In the event of oversubscription, allocation shall be made according to the following principles: Firstly, such allocation shall be made 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, proportionally in relation to the number of Units subscribed for with the support of unit rights. Secondly, such allocation shall be made to those who have subscribed for Units without the support of unit rights, regardless of whether they were shareholders on the record date or not, proportionally in relation to the number of Units subscribed. Thirdly, allocation shall be made to those who have entered into so-called guarantee commitments in proportion to such commitment. To the extent that allocation as above cannot be made proportionally, allocation shall be made by drawing lots.

Trading in paid subscription units ("BTU") on Nasdaq First North Stockholm is expected to occur during the period from and including August 12 until the Rights Issue is registered, which is expected to occur on or around September 12, 2025.

Part of Karolinska Development's payment for Units subscribed based on the subscription undertaking will be made by set-off of loans previously granted to the Company.

Prospectus

Full terms and conditions and information regarding the Rights Issue, as well as information regarding subscription commitments and guarantee undertakings and other information about the Company will be provided in a prospectus that will be published by the Company before the subscription period begins.

Shares and dilution

Through the Rights Issue, the share capital will increase by a maximum of SEK 4,851,750.96, from SEK 2,156,333.94 to SEK 7,008,084.90 and the number of shares will increase by a maximum of 80,862,516 shares, from 35,938,899 shares to 116,801,415 shares. For existing shareholders who do not participate in the Rights Issue, this means a dilution of a maximum of approximately 69.2 percent, with the possibility of being financially compensated for the dilution effect by selling their unit rights.

Assuming full subscription in the Rights Issue and full exercise of the warrants of series TO 2026 issued within the framework of the Rights Issue, the share capital will increase by an additional SEK 1,617,250.32 and the number of shares will increase by up to 26,954,172 shares, corresponding to a dilution of 18.7 percent.

Assuming full subscription in the Rights Issue and full exercise of the warrants of series TO 2030 issued within the framework of the Rights Issue, the share capital will increase by an additional SEK 2,156,333.76 and the number of shares will increase by up to 35,938,896 shares, corresponding to a dilution of 20.0 percent.

Indicative timetable

Extraordinary general meeting: 29 July 2025

Last day of trading including the right to subscribe for Units through unit rights: 6 August 2025

First day of trading excluding the right to subscribe for Units through unit rights: 7 August 2025

Record date for participation in the Rights Issue: 8 August 2025

Publication of prospectus: 11 August 2025

Subscription period: 12 – 26 August 2025

Trading in unit rights: 12 – 21 August 2025

Trading in BTUs: From 12 August to around 12 September 2025

Publication of outcome of the Rights Issue: 27 August 2025

Extraordinary General Meeting etc.

The Board of Directors' decision on the Rights Issue is subject to approval by an Extraordinary General Meeting, which is intended to be held on 29 July 2025, at which time it will also be proposed that the General Meeting resolve on necessary amendments to the Articles of Association. Notice of the Extraordinary General Meeting will be published in a separate press release.

Due to the Rights Issue, the Company has decided to bring forward the publication of the interim report for the second quarter of 2025 to 7 August 2025.

Advisors

Bergs Securities is sole manager and bookrunner and Advokatfirman Vinge is legal advisor to Modus in connection with the Rights Issue.

For more information on Modus Therapeutics, please contact:

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This information is information that Modus Therapeutics Holding AB 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 2025-06-26 23:30 CEST.

Certified Adviser

Svensk Kapitalmarknadsgranskning AB

Website: www.skmg.se

About Modus Therapeutics and sevuparin

Modus is a Swedish biotech company developing its patented polysaccharide, sevuparin, as a treatment option for several major unmet medical needs, including anemia in kidney disease and other chronic inflammatory conditions, severe malaria, sepsis, and other disorders involving severe systemic inflammation. There is a great need for new treatments that can effectively treat these conditions. Modus' ambition is to create a paradigm shift in the care of these diseases, where sevuparin could provide therapeutic benefits. Modus Therapeutics is listed on the Nasdaq First North Growth market ("MODTX"). More information is available at www.modustx.com.

Sevuparin is a clinical stage, innovative proprietary polysaccharide drug with a multimodal mechanism of action, including immunomodulating, anti-adhesive and anti-aggregate effects. Sevuparin is a heparinoid with markedly attenuated anti-coagulation features that allows severalfold higher doses to be given, compared to regular heparinoids, without the associated risk for bleeding side-effects. Two routes of administration of sevuparin are currently being tested – an IV formulation for in-patient administration and a subcutaneous formulation that allows ambulatory and home care administration.

Important Information

The information contained in this press release does not constitute an offer to acquire, subscribe for, or otherwise trade in shares or other securities in Modus. An invitation to relevant individuals to subscribe for shares in Modus will only be made through the prospectus that Modus will publish. No actions have been taken, or will be taken, by Modus to permit a public offering in any jurisdiction other than Sweden.

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Forward-looking Statements

This press release contains certain forward-looking statements that reflect Modus' current views and expectations regarding future events, as well as financial and operational performance, including statements relating to the Rights Issue and statements concerning guidance, planning, future prospects, and strategies. Words such as "intends", "assesses", "expects", "plans", "estimates", "may", and other expressions indicating forecasts or predictions regarding future developments or trends and which are not based on historical facts, constitute forward-looking information. Although Modus believes that these statements are based on reasonable assumptions and expectations, Modus cannot guarantee that such forward-looking statements will materialize. As these forward-looking statements involve both known and unknown risks and uncertainties, actual outcomes may differ materially from those expressed in the forward-looking information. Forward-looking statements in this press release apply only as of the date of the press release and may change without notice. Potential investors should not place undue reliance on the forward-looking statements in this press release. Potential investors are strongly recommended to read those sections of the prospectus that contain more detailed descriptions of the factors that may affect the Company's operations and the market in which the Company operates. The Company undertakes no obligation to publicly update or revise forward-looking statements due to new information, future events, or similar circumstances beyond what is required by applicable laws or stock market regulations.

Attachments

Modus Therapeutics carries out a fully secured rights issue of units of SEK 28.3 million